11/7/83 S 6615-2 a

# OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

OCTOBER 1983

## SEPTEMBER INDICATORS

### UNEMPLOYMENT RATE

| *Oregon* | S.A. | Raw |
|---|---|---|
| Sep. '83 | 9.9 | 8.6 |
| Aug. '83 | 9.8 | 9.1 |
| *U.S.* | | |
| Sep. '83 | 9.3 | 8.8 |
| Aug. '83 | 9.5 | 9.2 |

### WAGE AND SALARY EMPLOYMENT INDEX

| *Oregon* | 1977=100 |
|---|---|
| Sep. 1983: | 101.3 |
| Aug. 1983: | 101.1 |
| Sep. 1982: | 101.5 |
| Sep. 1981: | 108.3 |
| Sep. 1980: | 110.2 |
| Sep. 1979: | 113.7 |

### DIFFUSION INDEX

| *Oregon* | |
|---|---|
| Sep. 1983: | 54.3 |
| Aug. 1983: | 53.9 |
| July 1983: | 52.3 |
| June 1983: | 57.4 |
| May 1983: | 51.2 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| *Oregon* | |
|---|---|
| Aug. 1983: | 39.4 |
| July 1983: | 38.5 |
| Aug. 1982: | 38.0 |

### CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

| | |
|---|---|
| *Portland SMSA* | |
| July 1983 | 291.5 |
| Year Change | - 0.3 |
| *U.S.* | |
| Aug. 1983 | 300.3 |
| Year Change | + 2.6 |
| Portland Hotline | 221-4132 |

## RECOVERY LEVELS OFF

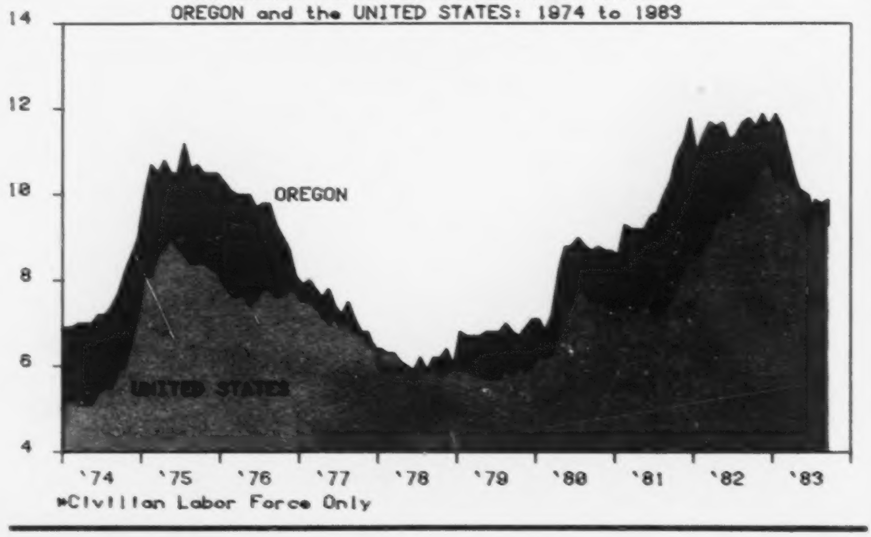
There is an economic recovery underway in this state but it has leveled off - reached a plateau. In all likelihood the pause is temporary and the economy will soon be moving on towards recovery. And, anticipating the possible negative outcome of too rapid a recovery pace, a pause may be just what the doctor ordered.

Over the first half of the year the state's seasonally adjusted unemployment rate dropped steadily from 11.9% (January '83) to 9.1% (June '83). In July it hopped back up to 9.9% and has remained essentially unchanged at that level through September.

The nonfarm wage and salary employment index, one of the best overall economic indicators and the best measure of the current job situation, displayed little change in 1983. Starting the year at 101.7 the index peaked just 0.3 higher at 102.0 in June and has since receded to 101.3 in September.

The economy of the United States has been providing emphatic evidence of a move towards recovery. Civilian unemployment statistics, seasonally adjusted, for the nation show a steady decline to 9.3% in September. Given the diversified economy of the U.S. (at least the best example of a diversified economy that we have to work with), it is not too surprising to observe a resurgence of activity among several major industries. The U.S. auto industry, for example, has been somewhat rejuvenated by restriction on imports, pent-up demand stemming from recession

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1974 to 1983



*Civilian Labor Force Only

## RESIDENT OREGON LABOR FORCE

| | 1/ Sept. 1983 | 2/ Aug. 1983 | Change | % Change | 5/ Sept. 1982 |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,333,800 | 1,345,800 | -12,000 | -0.9 | 1,318,300 |
| Unemployment | 115,000 | 123,100 | - 8,100 | -6.6 | 135,300 |
| Percent of Labor Force | 8.6 | 9.1 | xxx | xxx | 10.3 |
| Seasonally Adjusted Percent | 9.9 | 9.8 | xxx | xxx | 11.8 |
| Total Employment 4/ | 1,218,800 | 1,222,700 | - 3,900 | -0.3 | 1,183,000 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | 1/ Sept. 1983 | 2/ Aug. 1983 | Sept. 1982 | Change From Aug. 1983 | Change From Sept. 1982 |
|---|---|---|---|---|---|
| TOTAL 3/ | 966,400 | 948,300 | 967,700 | 18,100 | -1,300 |
| Wage & Salary Employment Index 4/ | 101.3 | 101.1 | 101.5 | xxx | xxx |
| Diffusion Index 5/ | 54.3 | 53.9 | 38.4 | xxx | xxx |
| Total Manufacturing | 198,000 | 196,200 | 194,400 | 1,800 | 3,600 |
| Durable Goods | 136,800 | 136,600 | 134,700 | 200 | 2,100 |
| Lumber & Wood Products | 65,900 | 66,000 | 58,300 | - 100 | 7,600 |
| Logging & Sawmills | 34,000 | 34,200 | 31,000 | - 200 | 3,000 |
| Veneer & Plywood | 18,800 | 19,000 | 17,200 | - 200 | 1,600 |
| Millwork & Structural Wood | 7,200 | 7,100 | 5,500 | 100 | 1,700 |
| Mobile Homes | 2,200 | 2,100 | 1,400 | 100 | 800 |
| Other Wood Products | 3,700 | 3,600 | 3,200 | 100 | 500 |
| Furniture & Fixtures | 2,900 | 2,900 | 2,600 | 0 | 300 |
| Stone, Clay, Glass, & Concrete | 3,800 | 3,800 | 3,600 | 0 | 200 |
| Primary Metals | 7,500 | 7,600 | 7,500 | - 100 | 0 |
| Blast Furnaces, Iron & Steel | 3,700 | 4,100 | 4,100 | - 400 | - 400 |
| Nonferrous Metals | 3,800 | 3,500 | 3,400 | 300 | 400 |
| Fabricated Metals | 9,300 | 9,300 | 9,300 | 0 | 0 |
| Fabricated Structural Metals | 3,700 | 3,700 | 3,800 | 0 | - 100 |
| Other Fabricated Metals | 5,600 | 5,600 | 5,500 | 0 | 100 |
| Machinery | 14,400 | 14,500 | 16,100 | - 100 | -1,700 |
| Electrical Equipment & Supplies | 9,800 | 9,600 | 10,000 | 200 | - 200 |
| Transportation Equipment | 6,700 | 6,400 | 8,200 | 300 | -1,500 |
| Instruments & Related Products | 14,000 | 14,000 | 16,700 | 0 | -2,700 |
| Miscellaneous Manufacturing | 2,500 | 2,500 | 2,400 | 0 | 100 |
| Nondurable Goods | 61,200 | 59,600 | 59,700 | 1,600 | 1,500 |
| Food & Kindred Products | 31,700 | 30,000 | 30,500 | 1,700 | 1,200 |
| Canning & Preserving | 21,100 | 19,600 | 20,100 | 1,500 | 1,000 |
| Other Food Products | 10,600 | 10,400 | 10,400 | 200 | 200 |
| Textile Mill Products | 1,700 | 1,600 | 1,800 | 100 | - 100 |
| Apparel | 2,700 | 2,600 | 2,700 | 100 | 0 |
| Paper & Allied Products | 9,400 | 9,700 | 9,400 | - 300 | 0 |
| Printing & Publishing | 10,200 | 10,100 | 10,100 | 100 | 100 |
| Chemicals & Allied Products | 2,100 | 2,100 | 2,100 | 0 | 0 |
| Petroleum Refining | 600 | 600 | 500 | 0 | 100 |
| Rubber & Plastic Products | 2,500 | 2,600 | 2,300 | - 100 | 200 |
| Leather Products | 300 | 300 | 300 | 0 | 0 |

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | Sept. 1983 | Aug. 1983 | Sept. 1982 | Change From Aug. 1983 | Change From Sept. 1982 |
|---|---|---|---|---|---|
| (cont.) | | | | | |
| Total Nonmanufacturing | 768,400 | 752,100 | 773,300 | 16,300 | -4,900 |
| Mining & Quarrying | 1,700 | 1,700 | 2,100 | 0 | - 400 |
| Construction | 32,300 | 31,400 | 33,200 | 900 | - 900 |
| Transportation, Communications, & Utilities | 56,300 | 50,500 | 56,900 | 5,800 | - 600 |
| Transportation | 33,000 | 32,400 | 32,100 | 600 | 900 |
| Railroad | 5,600 | 5,700 | 5,900 | 100 | - 300 |
| Trucking & Warehousing | 17,400 | 17,300 | 16,400 | 100 | 1,000 |
| Other Transportation | 10,000 | 9,400 | 9,800 | 600 | 200 |
| Communications | 14,600 | 9,400 | 15,800 | 5,200 | -1,200 |
| Utilities | 8,700 | 8,700 | 9,000 | 0 | - 300 |
| Trade | 243,600 | 242,300 | 241,700 | 1,300 | 1,900 |
| Wholesale Trade | 61,900 | 61,000 | 61,800 | 900 | 100 |
| Durable Goods | 36,500 | 35,900 | 36,100 | 600 | 400 |
| Nondurable Goods | 25,400 | 25,100 | 25,700 | 300 | - 300 |
| Retail Trade | 181,700 | 181,300 | 179,900 | 400 | 1,800 |
| General Merchandise | 24,600 | 24,600 | 23,400 | 0 | 1,200 |
| Food Stores | 27,800 | 28,200 | 26,800 | - 400 | 1,000 |
| Auto Dealers & Service Stations | 22,700 | 22,700 | 21,500 | 0 | 1,200 |
| Other Retail Trade | 106,600 | 105,800 | 108,200 | 800 | -1,600 |
| Finance, Insurance, & Real Estate | 64,200 | 64,400 | 64,500 | - 200 | - 300 |
| Banking & Credit Agencies | 23,600 | 23,600 | 23,500 | 0 | 100 |
| Other Finance, Insurance, & Real Estate | 40,600 | 40,800 | 41,000 | - 200 | - 400 |
| Services | 188,300 | 187,300 | 187,800 | 1,000 | 500 |
| Hotels & Personal Services | 21,400 | 21,700 | 22,600 | - 300 | -1,200 |
| Health Services | 66,900 | 66,100 | 65,600 | 800 | 1,300 |
| Other Services | 100,000 | 99,500 | 99,600 | 500 | 400 |
| Government | 182,000 | 174,500 | 187,100 | 7,500 | -5,100 |
| Federal Government | 29,100 | 29,400 | 30,000 | - 300 | - 900 |
| State Government | 49,100 | 49,000 | 48,600 | 100 | 500 |
| Education | 17,700 | 17,400 | 18,000 | 300 | - 300 |
| Other State | 31,400 | 31,600 | 30,600 | - 200 | 800 |
| Local Government | 103,800 | 96,100 | 108,500 | 7,700 | -4,700 |
| Education | 61,900 | 52,400 | 63,800 | 9,500 | -1,900 |
| Other Local | 41,900 | 43,700 | 44,700 | - 1,800 | -2,800 |
| Labor-Management Disputes | 2,500 | 6,900 | 0 | - 4,400 | 2,500 |

1/ Preliminary

2/ Revised

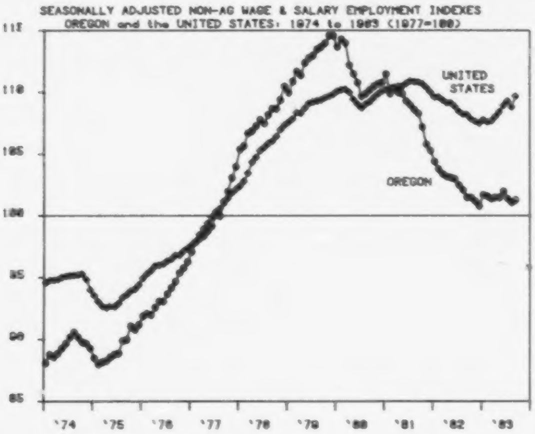
3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

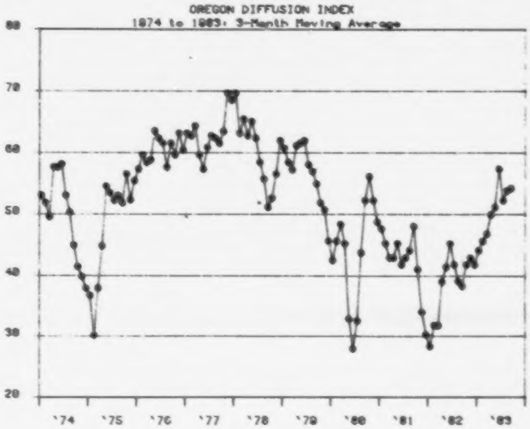
delayed purchases, etc. The Administration's thrust towards a strong defense posture has resulted in numerous contracts, some involving megabucks, in various parts of the country. Additionally, and in response to earlier reductions in interest rates, employment in the U.S. housing industry has been rebuilding. However, the outlook for new home construction has been clouded recently with mortgage rates up and expected to remain near 14%.

The latest industry statistics for Oregon track a bit differently. Construction was one of the brighter spots in September. Road work has benefitted from recent sharp gains in the amount of federal highway funds. Shopping mall projects in Portland, Salem, and Albany have also contributed to an upturn. Some small gains were also evident in the state's home building sector. However, with the experience of a devastating recession not far behind many potential buyers cannot afford to purchase a home. Besides, the earlier home building boom coupled with a recent decline in population has resulted in a housing surplus; vacancy rates remain high. The result - no strong rebound in housing construction in Oregon is evident or even expected.



The lumber and wood products industry has traditionally held the key to Oregon's economic health. Some very positive things have occurred in the last year in response to the surge in U.S. home building. At 65,900 in September, lumber employment was up 7,600 over the year and 14,200 above the recession low of 51,700 in January 1982. Nevertheless, the wood products industry in Oregon may not be totally out of danger at this time. Rising interest rates are stalling earlier gains. Lumber prices continue to go down and trading is concentrated on only a small volume destined for immediate shipment. As an early step in compensating for soft market conditions some wood products manufacturers are beginning to reduce hours or shifts.

Elsewhere in the durable goods manufacturing sector mixed trends were observed. Labor disputes reduced the total in primary metals and suppressed the employment increase generated from new orders in truck production in the transportation equipment sector. Offsetting forces also included the reopening of another aluminum processing potline in conjunction with reduced power rates and increased product demand.



Speaking of labor disputes, an inordinate number of workers continue to be involved in labor management disputes. The September employes labor dispute count (2,500) is a marked improvement from August (6,900) when more than 5,000 telephone company workers were out, but is the second highest labor dispute total recorded since August 1980. The industry distribution of the labor dispute activity is as follows:

| | |
|---|---|
| Lumber & Wood Products | 700 |
| Primary & Fabricated Metals | 800 |
| Paper & Allied Products | 300 |
| Transportation Equipment | 600 |
| Other | 100 |
| Total | 2,500 |

Employment in trade went up 1,300 in September, just about half the amount expected. Retailers are exhibiting caution about employment and inventory needs, which in turn has kept wholesale suppliers lean.

In services the gain of 1,000 is largely attributable to health services and, because of the start of the school year, to private education. While reports on tourism were generally favorable this year, a missing link to this sector has been business travelers. Tighter corporate budgets and greater use of electronic and other means of communication were cited as reasons for the decline in business travel.

Finally, government employment gains in September were lower than usual. In early stages of past recoveries, government has posted fairly strong gains. The opposite is occurring now. The increase of 7,500 in the August to September statistics equates to a "real" loss of 3,100 after adjustement for normal seasonal variation. The tolling of the school bells caused a big, but less than usual push in local education employment (+9,500 in September). Indeed, restricted budgets and a reduced student population make the 1983-84 school figures pale in relation to the 12,600 average gain in the last five years. Even harder hit is the noneducation sector of local government where, working from a smaller base figure, even stronger reductions were evident in the over the year comparison.

The question remains where the economy is headed. Third quarter 1983 employment and unemployment statistics for Oregon were flat. The real concern, however, should not be focused on this temporary lull, but instead on the nature of the state's economy. Once again we must point to the importance of timber products. Despite efforts aimed at diversification, lumber and wood products and related industries are still largely responsible for setting the economic tone. Today the industry is straining to sustain the excellent gains made in the last year.□

## "DISCOURAGED WORKERS" ARE STILL DISCOURAGED

"Discouraged workers" is the name given to the group of people who want jobs, but are not actively looking because they are convinced they cannot find jobs. People in this group are not defined as "unemployed" due to a technicality: they are not actively looking for work.

During the recession, as the job market became fiercely competitive, more and more people who were ready and willing to work dropped out of the hunt. The number of "discouraged workers" rose about half again as fast as those defined as unemployed.

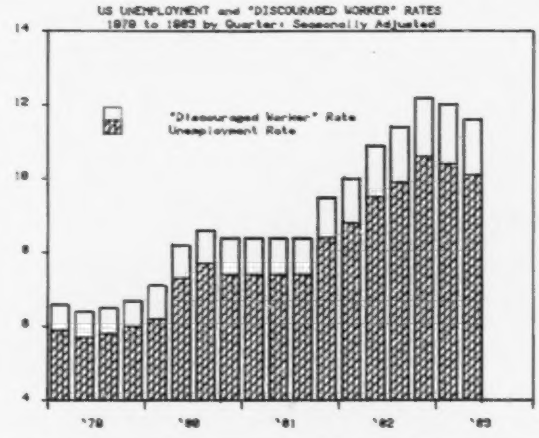
Percent of Civilian Labor Force

| | Discouraged | Unemployed |
|---|---|---|
| 4th Qtr. 1979 | 0.7% | 6.0% |
| 4th Qtr. 1982 | 1.6 | 10.6 |
| 2nd Qtr. 1983 | 1.5 | 10.1 |

Often the difficulty of searching for a job increases with the length of unemployment. Discouragement really is a factor. Being told "no" over and over again will discourage almost anyone. Practical difficulties can also increase. For example, the tougher the job market, the wider the area one has to scour for job possibilities. The need to drive more miles comes just when money is the shortest for gas and car repairs.

Looking for a job tends to be the hardest job - a lot harder than the duties of a job once it has been found. Usually when a person wants a job but gives up looking, emotional discouragement has something to do with it. But there are cases where concentrating temporarily on subsistence at home is more rational than spending time and scarce money on a job search that is almost sure to be fruitless.

Should "discouraged workers" be included in the definition of "unemployed"? There are good arguments on both sides. Those in favor of including them point out that, since very bleak labor market conditions induce more people to drop out of the "unemployed" ranks and into the "discouraged worker" category, to exclude "discouraged workers" understates the impact of a recession. An emotional version of this reasoning circulated early this year, when members of the Armed Forces were first being included in the "employed" portion of the published national unemployment rate. "In a war", the argument went, "the dead - not just the wounded - are counted as casualties. Discouraged workers are among the casualties of the recession."



The logic behind maintaining the status quo is that a person must do something to signal his desire to work. Merely wanting to work is too abstract. A person should have to "actively seek employment" to be counted in the labor force.

"Discouraged workers" estimates are published only at the national level. In Oregon, where jobless rates have been higher and the average length of unemployment greater, it is probably safe to say that the "discouraged" rate is also higher. Many unemployed Oregonians have moved out of the state - another sign of disillusionment with our job market.

Oregon's "discouraged" rate may have risen well above 2% last winter and spring, before easing with the summer seasonal employment. Possibly 26,000 or more Oregon residents were too discouraged to look for work. Many think the coming winter may be nearly as tough.□

# HOURS AND EARNINGS – MORE HOURS & LESS EARNINGS

With an avalanche of good and bad news falling all around it is sometimes hard to discern what is important from that which is not. Much of what is offered as economic analysis is relative - that is, relative to the perspective of both the giver and the receiver. So with signal callers alluding to all manner of forecasts, it is perhaps more important to remember that an economy is not a homogenous entity, but rather a heterogeneous mixture of dissimilar economies interacting within given markets. Oregon's economic collage, while dominated by forest product industries, is no less diverse. Focusing on hours and earnings as an indicator can reveal seeming contradictions, but a closer look at the interaction of various industries can provide a better view of recent trends and possible expectations.

Steadily declining lumber prices and market demand are occurring at a time when home construction is typically its strongest. Yet despite a soft lumber market, average weekly hours for Lumber and Wood Products rose .4 in August. In addition, an increase in the proportion of lower paid workers - production worker employment rose 1,800 - prompted hourly earnings to fall $.16. The month-to-month change is somewhat misleading though. Housing starts have reportedly risen since early spring, yet demand for lumber and wood products has not responded to falling prices. Lagging demand is also reflected in the steady erosion of weekly hours which peaked in May (40.5) and now stands at 39.2. With the winter slowdown approaching and faced with uncertain markets, employers are expected to be quick to change as conditions warrant.

There are also secondary effects of timber harvest activities. Timber revenues received by state and local government depend not only on how much is harvested, but also from where it comes. Approximately 60% of Oregon timber lands are publicly held. Public timber lands also generate a higher percentage of revenue from the harvest of timber than does privately owned cutting. The recession has caused a shift in the balance of where harvesting is being done. Harvesting on private timber lands increased about 12% in 1982 while public timber lands fell

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AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2/ Aug. 1983 | 3/ July 1983 | Aug. 1982 | 2/ Aug. 1983 | 3/ July 1983 | Aug. 1982 | 2/ Aug. 1983 | 3/ July 1983 | Aug. 1982 |
| TOTAL MANUFACTURING | $394.79 | $400.40 | $378.86 | 39.4 | 38.5 | 38.0 | $10.02 | $10.40 | $9.97 |
| Durable Goods | 415.26 | 418.94 | 403.13 | 39.7 | 39.3 | 38.8 | 10.46 | 10.66 | 10.39 |
| Lumber & Wood Products | 425.71 | 427.58 | 418.95 | 39.2 | 38.8 | 38.9 | 10.86 | 11.02 | 10.77 |
| Logging & Sawmills | 449.30 | 461.78 | 454.46 | 38.8 | 39.3 | 39.9 | 11.58 | 11.75 | 11.39 |
| Veneer & Plywood | 427.88 | 423.77 | 420.42 | 39.4 | 38.7 | 39.0 | 10.86 | 10.95 | 10.78 |
| Millwork & Struct Wood | 339.25 | 307.94 | 298.72 | 40.1 | 36.4 | 37.2 | 8.46 | 8.46 | 8.03 |
| Mobile Homes | 321.95 | 282.66 | 222.08 | 38.1 | 36.1 | 27.9 | 8.45 | 7.83 | 7.96 |
| Other Wood Products | 420.40 | 430.67 | 376.01 | 40.0 | 40.1 | 36.9 | 10.51 | 10.74 | 10.19 |
| Furniture & Fixtures | 280.39 | 292.37 | 244.28 | 36.7 | 36.5 | 33.1 | 7.64 | 8.01 | 7.38 |
| Primary Metals | 512.78 | 515.02 | 478.14 | 40.6 | 41.5 | 39.0 | 12.63 | 12.41 | 12.26 |
| Fabricated Metals | 403.37 | 399.78 | 363.07 | 41.8 | 40.3 | 36.6 | 9.65 | 9.92 | 9.92 |
| Machinery | 408.86 | 401.41 | 383.82 | 39.2 | 39.2 | 37.3 | 10.43 | 10.24 | 10.29 |
| Nondurable Goods | 347.26 | 351.99 | 324.35 | 38.8 | 36.4 | 36.2 | 8.95 | 9.67 | 8.96 |
| Food & Kindred Products | 288.90 | 286.88 | 267.71 | 39.2 | 34.9 | 35.6 | 7.37 | 8.22 | 7.52 |
| Canning & Preserving | 243.49 | 224.02 | 218.15 | 39.4 | 32.8 | 34.3 | 6.18 | 6.83 | 6.36 |
| Other Food Products | 408.39 | 407.40 | 398.97 | 38.6 | 38.8 | 39.0 | 10.58 | 10.50 | 10.23 |
| Textile Mill Products | 214.70 | 198.11 | 198.15 | 37.6 | 37.1 | 37.6 | 5.71 | 5.34 | 5.27 |
| Apparel | 204.28 | 185.24 | 176.69 | 37.9 | 35.9 | 33.4 | 5.39 | 5.16 | 5.29 |
| Paper & Allied Products | 544.85 | 541.31 | 497.17 | 40.6 | 40.7 | 38.6 | 13.42 | 13.30 | 12.88 |
| Printing & Publishing | 386.66 | 378.42 | 392.63 | 34.4 | 34.0 | 34.9 | 11.24 | 11.13 | 11.25 |
| Construction | 537.26 | 502.83 | 550.80 | 36.4 | 33.3 | 34.0 | 14.76 | 15.10 | 16.20 |
| Communications & Utilities | 466.05 | 460.88 | 447.63 | 39.0 | 38.6 | 39.3 | 11.95 | 11.94 | 11.39 |
| Trade | 284.97 | 288.08 | 285.32 | 34.5 | 34.5 | 34.5 | 8.26 | 8.35 | 8.27 |
| Wholesale Trade | 382.02 | 384.16 | 379.55 | 37.6 | 37.7 | 38.3 | 10.16 | 10.19 | 9.91* |
| Retail Trade | 236.88 | 241.49 | 233.93 | 32.9 | 32.9 | 32.4 | 7.20 | 7.34 | 7.22 |
| Banking & Insurance | 263.32 | 270.91 | 247.87 | | | | | | |
| State & Local Government | 338.11 | 337.14 | 327.85 | | | | | | |

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1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

nearly 33%. This recession-caused shift was accelerated because of inflated product costs due to bidding practices of two and three years ago.

The upshot of all of this is that timber receipts to government have nosedived at a faster rate than might have been expected. Declining revenues have caused reductions most everywhere in government, which in turn has artificially raised average weekly earnings due to the increased proportion of higher paid workers.

Other Durable Goods for August provided a potpourri of changes. Scheduled maintenance during a plant shutdown boosted hourly earnings $.22 for Primary Metals, with workers receiving premium pay for work done. Responding to spot orders has caused wide swings in average weekly hours for both Primary and Fabricated Metals. Inventory control has firms adjusting production schedules to current orders which for some firms has created a roller coaster effect on hours worked. As a result, weekly hours for Fabricated Metals was able to climb 1.5 while Primary Metals fell .9. Elsewhere, Machinery remains in a trough. Capital outlays so far have not been enough to coax this sector of Oregon's economy out of the doldrums. Production worker employment fell by 200 in August, down 1,500 from a year ago. Again, the increasing share of higher paid workers who remained pushed hourly earnings up $.19.

Gyrations in interest rates are not the only factor affecting Oregon's economy this summer. Weather has played a big role in Food and Kindred Products. The addition of 4,500 production workers in Canning and Preserving caused a precipitous drop in hourly earnings (down $.65). Following a lackluster July, where weather literally dampened food processing activity, August appears to be playing catch up as weekly hours jumped 4.3. In Other Nondurable Goods the resumption of plant operations by one firm's Textile and Apparel operations lifted weekly hours for these sectors by .5 and 2.0 respectively.

Residential Construction is improving but remains lackluster especially compared to pre-recessionary years. Helping to offset this, Heavy Construction has surged forward thanks to road and bridge projects stemming from accelerated spending of highway funds. The net result has been a 3.1 jump in weekly hours. Additions to the workforce also lowered hourly earnings by $.34. Ripples of the increase in heavy construction were also a major contributor in the upswing in weekly hours in Fabricated Metals.

A labor dispute in Communications was made obvious in the .4 increase in weekly hours for total Communications and Utilities. Trade produced little in the way of change, which is somewhat unexpected. Retail Trade has yet to reflect that Oregon is experiencing any strong rebound in consumer spending.

All areas of Oregon's economy are more or less affected by external forces, not the least of which is interest rates. This would appear to be the common thread coursing through the state's economy. What will happen to business activity as reflected by hours and earnings will be determined by that thread.□

## STATE UNEMPLOYMENT RATES

| State | Rank | Aug. 1983 | Aug. 1982 | Percent Change |
|---|---|---|---|---|
| West Virginia | 1 | 16.7 | 13.7 | 3.0 |
| Michigan | 2 | 13.4 | 14.5 | - 1.1 |
| Alabama | 3 | 12.2 | 15.0 | - 2.8 |
| Mississippi | 3 | 12.2 | 11.5 | 0.7 |
| Louisiana | 5 | 12.0 | 10.8 | 1.2 |
| Washington D.C | 6 | 11.5 | 11.2 | 0.3 |
| Illinois | 7 | 11.3 | 11.4 | - 0.1 |
| Ohio | 8 | 10.8 | 12.5 | - 1.7 |
| Pennsylvania | 8 | 10.8 | 10.3 | 0.5 |
| Kentucky | 10 | 10.6 | 10.2 | 0.4 |
| Washington | 11 | 10.1 | 11.9 | - 1.8 |
| Tennessee | 12 | 10.0 | 11.6 | - 1.6 |
| New Mexico | 13 | 9.8 | 9.4 | 0.4 |
| Arizona | 14 | 9.5 | 11.4 | - 1.9 |
| California | 14 | 9.5 | 10.2 | - 0.7 |
| Wisconsin | 16 | 9.3 | 10.2 | - 0.9 |
| Arkansas | 17 | 9.1 | 9.2 | - 0.1 |
| Idaho | 17 | 9.1 | 9.6 | - 0.5 |
| Indiana | 17 | 9.1 | 10.9 | - 1.8 |
| ● Oregon | 17 | 9.1 | 10.7 | - 1.6 |
| South Carolina | 17 | 9.1 | 11.5 | - 2.4 |
| Missouri | 22 | 8.9 | 9.2 | - 0.3 |
| Nevada | 23 | 8.7 | 10.1 | - 1.4 |
| New Jersey | 24 | 8.6 | 8.7 | - 0.1 |
| Alaska | 25 | 8.2 | 8.3 | - 0.1 |
| Florida | 25 | 8.2 | 7.8 | 0.4 |
| New York | 25 | 8.2 | 8.4 | - 0.2 |
| Oklahoma | 25 | 8.2 | 6.0 | 2.2 |
| Utah | 25 | 8.2 | 7.7 | 0.5 |
| North Carolina | 30 | 7.9 | 9.1 | - 1.2 |
| Rhode Island | 31 | 7.8 | 10.9 | - 3.1 |
| Montana | 32 | 7.7 | 7.9 | - 0.2 |
| Texas | 33 | 7.6 | 7.0 | 0.6 |
| Wyoming | 33 | 7.6 | 5.9 | 1.7 |
| Delaware | 35 | 7.5 | 8.8 | - 1.3 |
| Iowa | 36 | 7.4 | 8.1 | - 0.7 |
| Maine | 36 | 7.4 | 7.6 | - 0.2 |
| Minnesota | 38 | 7.2 | 7.9 | - 0.7 |
| Georgia | 39 | 7.0 | 7.5 | - 0.5 |
| Colorado | 40 | 6.5 | 7.8 | - 1.3 |
| Hawaii | 40 | 6.5 | 6.7 | - 0.2 |
| Maryland | 42 | 6.4 | 8.5 | - 2.1 |
| Massachusetts | 43 | 6.0 | 7.6 | - 1.6 |
| Vermont | 44 | 5.7 | 6.5 | - 0.8 |
| Kansas | 45 | 5.5 | 6.9 | - 1.4 |
| Connecticut | 46 | 5.3 | 6.7 | - 1.4 |
| Virginia | 46 | 5.3 | 7.6 | - 2.3 |
| Nebraska | 48 | 4.9 | 5.8 | - 0.9 |
| South Dakota | 49 | 4.3 | 4.8 | - 0.5 |
| North Dakota | 50 | 4.2 | 4.8 | - 0.6 |
| New Hampshire | 51 | 4.1 | 6.7 | - 2.6 |

## NEW RELEASE — EMPLOYER SERVICES BROCHURE

This handy 12-page guide describes 10 services available to employers. Included are descriptions of ways to avoid laying off workers, obtain bonding, measure job applicant aptitudes and skills, procure data for affirmative action programs, save on unemployment insurance, and other topics.

For your free copy contact your nearest Oregon Employment Division office.

## THE EMPLOYER'S CORNER

Twenty Job Service Employer Committees (JSEC's) advise and critique the performance of the local Employment Office serving their area. In cooperation with your local JSEC (pronounced JaySek), each issue of the Oregon Labor Trends features an article of special interest to employers.

### NATIONAL JOB BANK SYSTEM:

Have you ever tried to hire local workers for certain jobs only to find they are not available? Searching for workers in other parts of the state or in other states is costly and time-consuming. The Employment Service now has a system in operation nationwide that may be able to help you reduce or eliminate the expense of finding qualified workers for your company.

This assistance is provided through the automated National Job Bank System. Here's how it works....

When you place your job order with the local Employment Office, specialists will screen applicants to locate qualified workers from within the local area. At your request the Employment Service can place your job order into the computerized National Job Bank System. With its modern automated capability, your request will be processed promptly and efficiently. Your job order will be listed with 2,500 Job Service offices throughout the United States as well as all Oregon offices. Qualified applicants who are interested in relocating to your area will submit resumes through your local Employment Service office for your consideration. You then select the applicants who interest you and arrange your interviews.

Using the computerized National Job Bank System, you get national exposure of your job orders. Your job order will receive attention in all Job Service offices nationwide. This wide exposure attracts the maximum number of applicants, reducing the time required to locate qualified workers to meet your special needs.

TRY IT!! YOUR EMPLOYMENT SERVICE CAN WORK FOR YOU THE EMPLOYER. FOR ADDITIONAL INFORMATION CONTACT YOUR NEAREST EMPLOYMENT SERVICE OFFICE.

## RESIDENT OREGON LABOR FORCE AND UNEMPLOYMENT BY AREA

| | September 1983 | | | |
|---|---|---|---|---|
| | Civilian Labor Force | Total Employment | Unempl. | Rate |
| STATE OF OREGON | 1,333,800 | 1,218,800 | 115,000 | 8.6 |
| Eugene MSA 1/ | 130,200 | 117,900 | 12,300 | 9.4 |
| Medford MSA 2/ | 66,530 | 61,230 | 5,300 | 8.0 |
| Portland MSA 3/ | 651,400 | 593,900 | 57,500 | 8.8 |
| Salem MSA 4/ | 131,000 | 121,900 | 9,100 | 6.9 |
| Baker | 7,620 | 6,720 | 900 | 11.8 |
| Benton | 32,710 | 30,780 | 1,930 | 5.9 |
| Clatsop | 15,820 | 14,460 | 1,360 | 8.6 |
| Columbia | 16,130 | 14,770 | 1,360 | 8.4 |
| Coos | 27,860 | 24,480 | 3,380 | 12.1 |
| Crook | 6,110 | 5,660 | 450 | 7.4 |
| Curry | 7,750 | 7,160 | 590 | 7.6 |
| Deschutes | 33,150 | 30,010 | 3,140 | 9.5 |
| Douglas | 39,410 | 35,630 | 3,780 | 9.6 |
| Gilliam | 850 | 830 | 20 | 2.4 |
| Grant | 3,510 | 3,280 | 230 | 6.6 |
| Harney | 3,800 | 3,490 | 310 | 8.2 |
| Hood River | 9,900 | 9,290 | 610 | 6.2 |
| Jefferson | 6,190 | 5,760 | 430 | 6.9 |
| Josephine | 24,050 | 21,830 | 2,220 | 9.2 |
| Klamath | 27,890 | 25,650 | 2,240 | 8.0 |
| Lake | 3,810 | 3,610 | 200 | 5.2 |
| Lincoln | 19,470 | 17,220 | 2,250 | 11.6 |
| Linn | 39,700 | 35,780 | 3,920 | 9.9 |
| Malheur | 14,060 | 13,200 | 860 | 6.1 |
| Morrow | 5,530 | 5,210 | 320 | 5.8 |
| Tillamook | 10,000 | 9,030 | 970 | 9.7 |
| Umatilla | 29,800 | 27,550 | 2,250 | 7.6 |
| Union | 11,150 | 10,510 | 640 | 5.7 |
| Wallowa | 3,990 | 3,790 | 200 | 5.0 |
| Wasco-Sherman | 12,410 | 11,450 | 960 | 7.7 |
| Wheeler | 660 | 630 | 30 | 4.5 |
| Yamhill | 29,510 | 27,000 | 2,510 | 8.5 |

1/ Lane County
2/ Jackson County
3/ Clackamas, Multnomah, Washington, and Clark Counties
4/ Marion and Polk Counties

* * *

## OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
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SALEM, OREGON 97311

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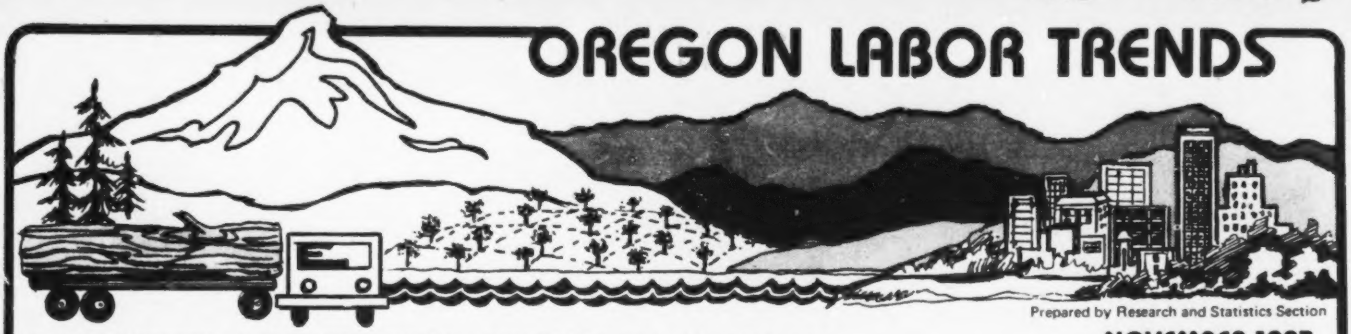
# OREGON LABOR TRENDS



Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

NOVEMBER 1983

## OCTOBER INDICATORS

### UNEMPLOYMENT RATE

| | S.A. | Raw |
|---|---|---|
| *Oregon* | | |
| Oct. '83 | 10.3 | 9.1 |
| Sep. '83 | 9.9 | 8.6 |
| *U.S.* | | |
| Oct. '83 | 8.8 | 8.4 |
| Sep. '83 | 9.3 | 8.8 |

### WAGE AND SALARY EMPLOYMENT INDEX

| *Oregon* | 1977=100 |
|---|---|
| Oct. 1983: | 101.8 |
| Sep. 1983: | 101.4 |
| Oct. 1982: | 101.5 |
| Oct. 1981: | 107.2 |
| Oct. 1980: | 110.5 |
| Oct. 1979: | 114.0 |

### DIFFUSION INDEX

| *Oregon* | |
|---|---|
| Oct. 1983: | 60.1 |
| Sep. 1983: | 52.7 |
| Aug. 1983: | 53.9 |
| July 1983: | 52.3 |
| June 1983: | 57.4 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| *Oregon* | |
|---|---|
| Sep. 1983: | 39.1 |
| Aug. 1983: | 39.4 |
| Sep. 1982: | 38.8 |

### CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

| | |
|---|---|
| *Portland SMSA* | |
| Sep. 1983 | 293.3 |
| Year Change | + 1.8 |
| *U.S.* | |
| Oct. 1983 | 302.6 |
| Year Change | + 2.9 |
| Portland Hotline | 221-4132 |

## COMPLETING THE UPTURN

Oregon may be entering a new phase in its economic recovery - an overall increase in jobs. A good, accurate measure of Oregon's jobs trend, Nonagricultural Wage and Salary Employment, shows two very encouraging signs in October.

- A gain in jobs over October 1982, the first year to year gain since spring of 1980.

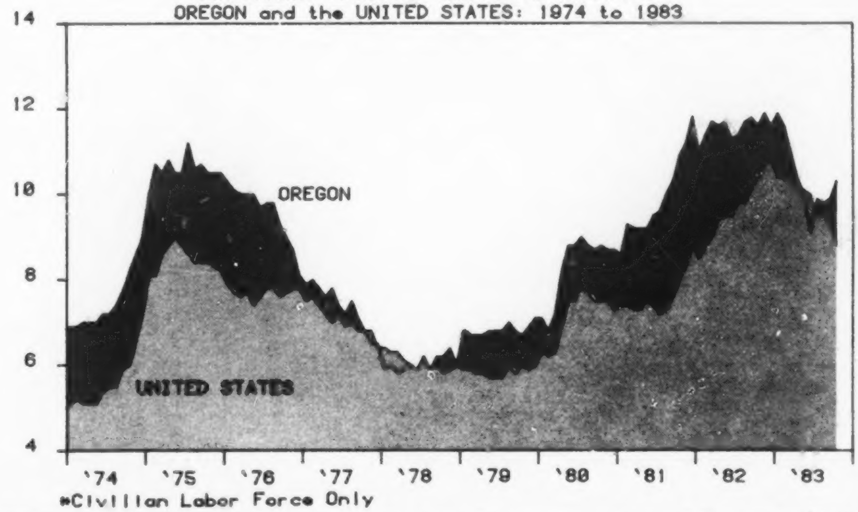
- Two monthly increases in a row for the seasonally adjusted index, the first back-to-back monthly gains since the winter of 1980-81.

Oregon's jobs situation reached a turning point about a year ago. It turned flat. As the graph on page 4 shows, this was a very positive development compared with the nearly two-year slide in jobs that had preceded it. We had a normal seasonal improvement in jobs this spring and summer - terrific news for many Oregon families.

After reaching this turning point late in 1982 Oregon's jobs trend remained nearly as flat as a pancake through the first three quarters of 1983. Hopeful looking gains in January and July were each followed by two months of falling back. Now two successive months of gains in the "jobs index", leaving us with more jobs than a year ago, gives a more solid reason to be hopeful.

"Recovery" is a relative term. Clearly, when it comes to employment, recovery has meant something a bit different for Oregon

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1974 to 1983



*Civilian Labor Force Only

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | Oct. 1983 | Sept. 1983 | Oct. 1982 | Change From | |
|---|---|---|---|---|---|
| | | | | Sept. 1983 | Oct. 1982 |
| (cont.) | | | | | |
| Total Nonmanufacturing | 774,400 | 769,300 | 776,600 | 5,100 | -2,200 |
| Mining & Quarrying | 1,700 | 1,600 | 1,900 | 100 | - 200 |
| Construction | 32,300 | 32,100 | 30,600 | 200 | 1,700 |
| Transportation, Communications, & Utilities | 56,400 | 56,500 | 56,900 | - 100 | - 500 |
| Transportation | 33,200 | 33,200 | 32,300 | 0 | 900 |
| Railroad | 5,800 | 5,800 | 5,900 | 0 | - 100 |
| Trucking & Warehousing | 17,200 | 17,400 | 16,500 | - 200 | 700 |
| Other Transportation | 10,200 | 10,000 | 9,900 | 200 | 300 |
| Communications | 14,600 | 14,600 | 15,700 | 0 | -1,100 |
| Utilities | 8,600 | 8,700 | 8,900 | - 100 | - 300 |
| Trade | 242,400 | 244,300 | 239,300 | -1,900 | 3,100 |
| Wholesale Trade | 61,100 | 61,900 | 60,900 | - 800 | 200 |
| Durable Goods | 35,700 | 36,300 | 35,600 | - 600 | 100 |
| Nondurable Goods | 25,400 | 25,600 | 25,300 | - 200 | 100 |
| Retail Trade | 181,300 | 182,400 | 178,400 | -1,100 | 2,900 |
| General Merchandise | 25,400 | 24,700 | 24,000 | 700 | 1,400 |
| Food Stores | 27,900 | 27,800 | 26,700 | 100 | 1,200 |
| Auto Dealers & Service Stations | 22,700 | 22,800 | 21,400 | - 100 | 1,300 |
| Other Retail Trade | 105,300 | 107,100 | 106,300 | -1,800 | -1,000 |
| Finance, Insurance, & Real Estate | 63,900 | 64,300 | 64,200 | - 400 | - 300 |
| Banking & Credit Agencies | 23,500 | 23,600 | 23,300 | - 100 | 200 |
| Other Finance, Insurance, & Real Estate | 40,400 | 40,700 | 40,900 | - 300 | - 500 |
| Services | 185,900 | 188,000 | 186,900 | -2,100 | -1,000 |
| Hotels & Personal Services | 21,200 | 21,400 | 21,800 | - 200 | - 600 |
| Health Services | 65,600 | 66,100 | 65,300 | - 500 | 300 |
| Other Services | 99,100 | 100,500 | 99,800 | -1,400 | - 700 |
| Government | 191,800 | 182,500 | 196,800 | 9,300 | -5,000 |
| Federal Government | 28,700 | 29,300 | 29,200 | - 600 | - 500 |
| State Government | 52,400 | 49,000 | 51,900 | 3,400 | 500 |
| Education | 22,200 | 17,700 | 22,600 | 4,500 | - 400 |
| Other State | 30,200 | 31,300 | 29,300 | -1,100 | 900 |
| Local Government | 110,700 | 104,200 | 115,700 | 6,500 | -5,000 |
| Education | 69,500 | 62,300 | 72,200 | 7,200 | -2,700 |
| Other Local | 41,200 | 41,900 | 43,500 | - 700 | -2,300 |
| Labor-Management Disputes | 1,400 | 2,500 | 100 | -1,100 | 1,300 |

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

## RESIDENT OREGON LABOR FORCE

| | 1/ Oct. 1983 | 2/ Sept. 1983 | Change | % Change | 5/ Oct. 1982 |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,324,000 | 1,334,500 | -10,500 | -0.8 | 1,308,700 |
| Unemployment | 120,700 | 115,100 | 5,600 | +4.9 | 135,000 |
| Percent of Labor Force | 9.1 | 8.6 | xxx | xxx | 10.3 |
| Seasonally Adjusted Percent | 10.3 | 9.9 | xxx | xxx | 11.6 |
| Total Employment 4/ | 1,203,300 | 1,219,400 | -16,100 | -1.3 | 1,173,700 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| | | | | Change From | |
|---|---|---|---|---|---|
| INDUSTRY | 1/ Oct. 1983 | 2/ Sept. 1983 | Oct. 1982 | Sept. 1983 | Oct. 1982 |
| TOTAL 3/ | 969,800 | 967,000 | 966,600 | 2,800 | 3,200 |
| Wage & Salary Employment Index 4/ | 101.8 | 101.4 | 101.5 | xxx | xxx |
| Diffusion Index 5/ | 60.1 | 52.7 | 41.9 | xxx | xxx |
| Total Manufacturing | 195,400 | 197,700 | 190,000 | -2,300 | 5,400 |
| Durable Goods | 136,000 | 136,400 | 131,900 | - 400 | 4,100 |
| Lumber & Wood Products | 65,200 | 65,700 | 57,200 | - 500 | 8,000 |
| Logging & Sawmills | 33,200 | 33,900 | 29,900 | - 700 | 3,300 |
| Veneer & Plywood | 18,700 | 18,700 | 17,300 | 0 | 1,400 |
| Millwork & Structural Wood | 7,300 | 7,300 | 5,300 | 0 | 2,000 |
| Mobile Homes | 2,300 | 2,200 | 1,500 | 100 | 800 |
| Other Wood Products | 3,700 | 3,600 | 3,200 | 100 | 500 |
| Furniture & Fixtures | 2,700 | 2,700 | 2,700 | 0 | 0 |
| Stone, Clay, Glass, & Concrete | 3,900 | 3,900 | 3,500 | 0 | 400 |
| Primary Metals | 7,400 | 7,300 | 7,000 | 100 | 400 |
| Blast Furnaces, Iron & Steel | 3,700 | 3,700 | 3,900 | 0 | - 200 |
| Nonferrous Metals | 3,700 | 3,600 | 3,100 | 100 | 600 |
| Fabricated Metals | 9,200 | 9,400 | 9,000 | - 200 | 200 |
| Fabricated Structural Metals | 3,500 | 3,700 | 3,700 | - 200 | - 200 |
| Other Fabricated Metals | 5,700 | 5,700 | 5,300 | 0 | 400 |
| Machinery | 14,300 | 14,400 | 15,800 | - 100 | -1,500 |
| Electrical Equipment & Supplies | 9,900 | 9,800 | 10,000 | 100 | - 100 |
| Transportation Equipment | 6,800 | 6,700 | 8,000 | 100 | -1,200 |
| Instruments & Related Products | 14,000 | 14,000 | 16,300 | 0 | -2,300 |
| Miscellaneous Manufacturing | 2,600 | 2,500 | 2,400 | 100 | 200 |
| Nondurable Goods | 59,400 | 61,300 | 58,100 | -1,900 | 1,300 |
| Food & Kindred Products | 29,800 | 31,700 | 28,600 | -1,900 | 1,200 |
| Canning & Preserving | 18,800 | 20,900 | 18,000 | -2,100 | 800 |
| Other Food Products | 11,000 | 10,800 | 10,600 | 200 | 400 |
| Textile Mill Products | 1,600 | 1,700 | 1,800 | - 100 | - 200 |
| Apparel | 2,800 | 2,700 | 2,700 | 100 | 100 |
| Paper & Allied Products | 9,300 | 9,400 | 9,500 | - 100 | - 200 |
| Printing & Publishing | 10,300 | 10,200 | 10,300 | 100 | 0 |
| Chemicals & Allied Products | 2,100 | 2,100 | 2,100 | 0 | 0 |
| Petroleum Refining | 600 | 600 | 500 | 0 | 100 |
| Rubber & Plastic Products | 2,600 | 2,600 | 2,300 | 0 | 300 |
| Leather Products | 300 | 300 | 300 | 0 | 0 |

than it has for the United States as a whole. In the past year U.S. nonag payroll employment has risen by over 2%. U.S. jobs have swept past their 1979 level and within half a percent of their mid 1981 all-time high.

Our recovery in Oregon has been a horse of a different color - colored by the fact that 11% of our nonfarm payroll jobs went that-a-way between October 1979 and October 1982. Over the past year we have gained back only a fraction of one percent out of the 11% that was lost.

Throughout the long recession forecasters announced that recovery was just around the corner. We did reach that corner about a year ago. Now the question is: How wide is the corner? So far it is a year wide. Having made the pivot from downward to flat, we may now be completing the corner by turning our jobs trend from flat to upward.

Of course it is also true that most forecasters have been predicting a nearly immediate solid upturn in seasonally adjusted employment in Oregon throughout the past year. We may be disappointed again, but there is a growing array of reasons to believe that an upturn is starting to materialize:

-The national economy is doing well, with employment firmly on an upward trend.

-The high numbers of striking workers in Oregon over the past few months have hidden some underlying progress in employment. As people on strike go back to work, the total number working increases.

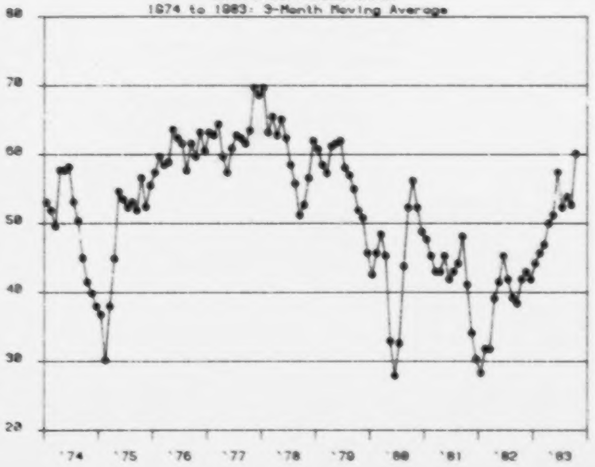
-Though wood products jobs have possibly reached their maximum potential for the time being, some other manufacturing industries appear to have turned or be turning the corner.

A flood of activity in the national trade sector is expected to spill over into Oregon's wholesale and retail trade.

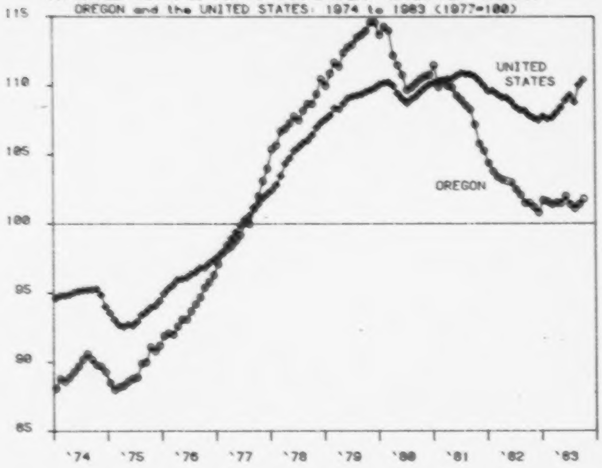
-Heavy construction is paving the way for some strengthening of Oregon's construction industry.

-The Oregon Diffusion Index, shown on the graph, moved up to the 60 mark in October. This means that selected industries that are bringing more employes on considerably outnumber those who are letting people go. This seasonally adjusted index is a leading indicator.

OREGON DIFFUSION INDEX
1974 to 1983: 9-Month Moving Average



SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
OREGON and the UNITED STATES: 1974 to 1983 (1977=100)



-Average weekly hours in Oregon manufacturing industries have remained strong, at 39.1 hours per week in September.

There are still some sectors that have not turned the corner. Perhaps the only sector that has yet to show any glimmer of recovery is local government, especially the public schools. The reasons include tight budgets, changing priorities among the voters, and population loss. Ringing school bells have brought school jobs up in September and October, but they remain nearly 4% below last fall's level.

The revised Oregon Economic and Revenue Forecast coming out in December projects a 1% annual jobs growth rate in the 4th quarter of 1983 and a growth rate between 2 and 3% throughout 1984. The forecasted rate of recovery for Oregon's jobs has been toned down, for two reasons:

-Our employment has not turned upward as soon as expected.

-The national recovery is projected to slow in late 1984 or early 1985 just when Oregon's recovery might otherwise be picking up steam.

The possibility also exists that a sustained increase in jobs will not occur in Oregon. The main risk is an unforeseen jump in interest rates. But all in all, the chances are good for an increase in jobs through the next four quarters.

Oregon's Unemployment Rate continued its upward drift, backtracking over some of the steep drop it made earlier this year. In October it stood at 10.3%, seasonally adjusted. The U.S. rate continued its improvement, dropping from 9.3% to 8.8%.

Even with the recent backslide, our state's unemployment rate has improved markedly from the 11.6% rate of October 1982. Total unemployment has been brought down by more than 14,000. There are two reasons for this drop in unemployment:

-There are more jobs. Nonfarm payroll jobs have increased by 3,200. In compensating for hard times, some Oregonians have also found alternative ways to earn some income - handicrafts, firewood cutting, casual farm, yard and maintenance work, babysitting and other domestic work. The number of small business owners may also be increasing.

-There are fewer people. Net out-migration of Oregon residents continued well into the first half of 1983. Perhaps 20,000 more people moved out of Oregon than moved in from mid 1982 to mid 1983. Families with at least one unemployed person predominated among those moving out.

"Discouraged Workers", people who want jobs but are not actively searching for work, probably number in the neighborhood of 25,000 in Oregon, about 2% of the labor force. U.S. "discouraged workers" peaked at 1.6% of the labor force during the depths of the recession. By the third quarter of 1983, in spite of an encouraging surge in jobs, the "discouraged" rate was still hung up at 1.4%, seasonally adjusted. In Oregon, where jobs have not surged beyond the seasonal, it is not likely that "discouraged workers" have been re-entering the labor force in large numbers.

The outlook is for Oregon's unemployment rate to ease gradually over the coming year. Population flow has nearly stabilized. And a steady increase in jobs is expected on a seasonally adjusted basis through the winter.

October is the last month of the year in which the season provides more jobs. A downturn in the absolute number of jobs, though not necessarily a downturn in the underlying trend, inevitably begins in November. It will be a hard winter for many people. But the odds are that the coming winter will not bring quite as much economic hardship to as many Oregon people as last winter.

## THE EMPLOYER'S CORNER

The Emergency Veteran's Job Training Act of 1983 (Public Law 98-77) was enacted August 15, 1983. The purpose of the Act is to address the problem of continuing unemployment among Korean and Vietnam veterans by providing, in the form of payments to defray the cost of training incentives to employers to hire and train eligible veterans.

The Oregon State Employment Division and the Veterans Administration promoting the development of employment and job training opportunities for veterans by encouraging potential employers to participate in the new program. Training opportunities in (1) growth industries: (2) occupations requiring the use of new technological skills; and (3) occupations in which demand for trained workers exceeds supply may be approved. With the assistance of the Employment Division's veteran service staff in local offices throughout the State both veterans and employers will apply to the VA to become eligible.

Employers may receive up to $10,000 to hire and train an eligible Korean or Vietnam era veteran for up to 9 months. Reimbursement could extend to 15 months if qualified disabled veterans are trained. Payments to employers will be at 50% of the starting wage and will be made quarterly unless the employer has 75 or fewer employes in which case monthly payments could be authorized. Employment Division Veteran Representatives will assist employers in the development of training schedules.

For detailed information contact the nearest office of the Oregon State Employment Division and ask to speak to the Veterans Representative.

## "HIGH TECH VS OREGON'S FUTURE JOBS"

### A Crisis?

We get the picture by reading and listening to some popular futurists and some of the news media that the revolution in electronics will transform our world and our working lives so dramatically that our future will not be like the past. This can be pretty scary to persons thinking of their future job prospects. Will the advancement of the computer age leave most of us unemployable?

Like most prophecies, there are elements of truth in the current predictions of the "high tech future." But there is also a great deal of misinformation that gets a lot of media attention. Nobody knows the future but there are some reasonably good predictions based upon known trends. We would like to provide our readers with a realistic view of the changes taking place in the Oregon labor force. For purposes of discussion, we will use the popular definition of "high tech" that includes electronics related industries and occupations.

### Oregon's Economic Trends

The truth is, overall patterns of occupational employment change slowly. Most occupations needed in 1983 will still be needed in the 1990's. This is so because the basic industries in an economy change slowly. Oregon's economy is primarily based upon lumber and wood products, agriculture, trade, and services. The occupations related to these industries have stayed very much the same for extended periods of time.

The problem is, employment levels within these industries can and do shift dramatically. We have all been witness to the loss of jobs in lumber and wood products from a high of about 81,000 jobs in 1979 to a low of 56,000 in 1982. A loss of 25,000 jobs in just three years! The current recovery has since brought the employment level of lumber and wood products back to about 65,000, a regaining of 9,000 jobs.

Such dramatic and painful shifts in employment levels in Oregon are caused primarily by national trends. Note the federal policy shift from social and housing programs of the 70's to the defense related programs of the 80's. Government supported low interest rates and high demand for housing meant jobs for Oregonians in the 70's. However, Oregon ranks 47th among states for defense contracts. Roughly calculated, defense provides us with $85 per person in Oregon while the rest of the U. S. population receives $1,000 per person. A $247 billion defense budget will not help Oregon's economy very much. In fact, a recent study done for the Defense Department indicates that Oregon will gain only 9,000 out of the nation's 1,480,400 jobs due to the projected defense build-up between 1983 and 1987. Nationally, largely because of defense spending, electronics industries are growing since reaching the bottom of the recession. But since only 3% of gross revenues in Oregon's electronics industries is from defense spending, this sector has yet to turn the corner.

Many other examples of national policy shifts and their affects on Oregon could be given including changing monetary and energy policies but the point would be the same. The state of Oregon's economy is largely dependent on outside influences.

Assuming that current national trends stay somewhat stable, the outlook for the Oregon economy calls for a gradual recovery in 1983, becoming much better in 1984. The most likely scenario that is currently being projected for the Oregon economy to 1990 shows slow but steady growth. What is this slow growth economy going to produce in terms of jobs?

## Industry/Occupational Trends

It is somewhat comforting to realize that there are currently over one million jobs in Oregon with an additional 250,000 predicted by 1990. Table I shows which industries are projected to create the most jobs by 1990. Note that "high calorie" industries such as eating and drinking places and grocery stores will create some 24,000 jobs. The "high tech" industries of measuring and controlling devices, office/computing machines, and electronic components/accessories will also create 24,000 jobs. The 24,000 jobs created by the rapid "high tech" industry growth indicate a significant trend. However, put into perspective, only about 40% of those jobs are related to electronics and by 1990, electronic related occupations will still make up less than 1% of Oregon's total employment. The trend towards electronics is important but not overpowering.

In fact, when looking at occupational projections based upon Oregon's industry growth, service related occupations are the top demand occupations. Table II shows occupations ranked by the number of projected new jobs to be created between 1981 and 1990.

The greatest demand will be for sales representatives, waiter/waitress, truck drivers, secretaries, clerks and cashiers. The electronic occupations are on the list but with considerably less demand. On the surface at least, these data point to future employment growth favoring jobs requiring little or no training beyond high school. Are most jobs in Oregon's future economy actually going to be "low tech?"

## New Job Skills

Since most of the occupations needed today will be needed in 1990 the real impact of "high tech" growth in Oregon will not be a change in the occupational structure. The major impact of the micro chip and solid state electronics is to change the job skills of a wide variety of existing occupations rather than to create new occupations.

At first, these changes affect routine work environments. Typists become word processing specialists, bookkeepers become micro computer and software users, clerks operate computerized cash registers. On one hand, the work becomes easier and productivity increases. On the other hand, new skills must be learned and more complex judgments must be made. Routine work becomes less physical but greater conceptual and problem solving skills are often required to maintain and operate the systems. Occupations already requiring problem solving skills become more "problematic" as the amount of information available increases and the number of ways of solving problems increases.

The full impact of new technologies on the labor force is only beginning to be understood. Using "high tech" machines will in the future be common place for many workers. The skills required may well produce a "high tech educational gap" requiring considerable upgrading and retraining of the labor force. Will the traditional educational institutions meet the new educational needs? Oregon's educational leaders are currently working hard on this problem.

TABLE I

WHICH INDUSTRIES WILL GROW MOST IN THE FUTURE?

| Industry | % Growth 1981-1990 | Employment 1990 | Ranked Jobs Created 1981-1990 |
|---|---|---|---|
| Eating/Drinking Places | 29 | 87,488 | 19,845 |
| Hospitals | 29 | 49,106 | 11,317 |
| Measuring/Controlling Devices | 60 | 24,855 | 9,310 |
| Office/Computing Machines | 153 | 13,400 | 8,114 |
| Electronic Comp./Access. | 125 | 12,822 | 7,122 |
| Department Stores | 30 | 29,242 | 6,780 |
| Commercial/Stock Svg. Banks | 33 | 22,674 | 5,591 |
| Grocery Stores | 13 | 28,962 | 4,615 |
| Wholesale Trade/Mach. Equip. and Supplies | 25 | 21,409 | 4,242 |
| Misc. Business Services | 35 | 15,374 | 3,955 |

TABLE II

OCCUPATIONS WITH GREATEST DEMAND - 1981-1990*

| Occupation | 1981 Employment | 1990 Employment | Jobs Created 1981-1990 |
|---|---|---|---|
| Sales Representative | 47,580 | 61,119 | 13,539 |
| Waiter/Waitress | 21,193 | 27,502 | 6,309 |
| Truck Driver | 22,241 | 28,034 | 5,793 |
| Secretary | 26,311 | 31,997 | 5,686 |
| General Clerk | 20,881 | 26,334 | 5,453 |
| Cashier | 19,177 | 23,628 | 4,451 |
| Sales Clerk | 16,590 | 21,021 | 4,431 |
| Nurse Aide/Orderly | 11,613 | 14,864 | 3,251 |
| Nurse Professional | 15,169 | 18,352 | 3,183 |
| Bookkeeper, Hand | 13,677 | 16,859 | 3,182 |
| Food Prep./Fast Food | 10,933 | 14,082 | 3,149 |
| Janitors/Port./Clean. | 19,731 | 22,849 | 3,118 |
| Electrical Assemblers | 3,786 | 6,894 | 3,108 |
| Electrical Engineers | 3,906 | 6,726 | 2,820 |
| Electrical Tech. | 3,336 | 5,761 | 2,425 |
| Kitchen Helpers | 11,080 | 13,492 | 2,412 |
| Typist | 11,895 | 13,874 | 1,979 |
| Elementary Teacher | 16,697 | 17,963 | 1,266 |

* Total Wage & Salary Employment: 1990=1,289,000
1981=1,034,000
Net Jobs Created= 255,000

## HOURS AND EARNINGS – MIXED SIGNALS

Between August and September earnings and hours for Oregon's production workers did not show noticeable signs of a significant recovery. However, employment was well above September of last year (+.3) and the decrease in average weekly hours month to month was small (-.3). At the same time average hourly earnings rose slightly ($.06) month to month and held even with September of last year. Specific industries gave a mixed set of signals.

Lumber and wood products, considered a key to Oregon's economic recovery, produced a variety of indications between August and September. Employment came down slightly but average weekly hours increased .2 and hourly earnings rose 19 cents.

The decline in employment in this industry came from the veneer and plywood sector which was the only sector in lumber and wood to lose production workers between August and September. This lead to a decrease of .4 in average weekly hours in veneer and plywood. These decreases were due in part to layoffs of workers who had been hired for the summer; in many cases students who return to school in the fall. It is the laying off of the lower-paid seasonal workers that also explains the slight increase ($.08) in average hourly earnings. Also there is a tendency in this industry to minimize inventories to avoid build ups if interest rates rise and depress housing construction again. This tight inventory control leads to very tight employment controls; people aren't hired unless absolutely needed.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Sept.2/ 1983 | Aug.3/ 1983 | Sept. 1982 | Sept.2/ 1983 | Aug.3/ 1983 | Sept. 1982 | Sept.2/ 1983 | Aug.3/ 1983 | Sept. 1982 |
| TOTAL MANUFACTURING 4/ | $393.74 | $394.39 | $390.72 | 39.1 | 39.4 | 38.8 | $10.07 | $10.01 | $10.07 |
| Durable Goods | 419.35 | 413.42 | 413.17 | 39.9 | 39.6 | 39.2 | 10.51 | 10.44 | 10.54 |
| Lumber & Wood Products | 434.98 | 425.32 | 427.49 | 39.4 | 39.2 | 39.4 | 11.04 | 10.85 | 10.85 |
| Logging & Sawmills | 466.83 | 450.46 | 462.04 | 39.0 | 38.9 | 39.9 | 11.97 | 11.58 | 11.58 |
| Veneer & Plywood | 426.66 | 427.88 | 420.72 | 39.0 | 39.4 | 39.1 | 10.94 | 10.86 | 10.76 |
| Millwork & Struct Wood | 349.40 | 335.60 | 323.20 | 41.3 | 40.0 | 38.8 | 8.46 | 8.39 | 8.33 |
| Mobile Homes | 305.03 | 297.17 | 299.12 | 41.5 | 37.1 | 38.3 | 7.35 | 8.01 | 7.81 |
| Other Wood Products | 426.13 | 420.40 | 387.31 | 39.9 | 40.0 | 38.5 | 10.68 | 10.51 | 10.06 |
| Furniture & Fixtures | 243.32 | 281.86 | 258.14 | 32.4 | 36.7 | 34.1 | 7.51 | 7.68 | 7.57 |
| Primary Metals | 503.81 | 512.78 | 478.63 | 41.5 | 40.6 | 39.2 | 12.14 | 12.63 | 12.21 |
| Fabricated Metals | 388.14 | 399.65 | 373.61 | 40.9 | 41.5 | 37.7 | 9.49 | 9.63 | 9.91 |
| Machinery | 401.25 | 403.39 | 399.62 | 39.3 | 38.9 | 37.7 | 10.21 | 10.37 | 10.60 |
| Nondurable Goods | 334.80 | 346.75 | 340.20 | 37.2 | 38.7 | 37.8 | 9.00 | 8.96 | 9.00 |
| Food & Kindred Products | 270.10 | 289.25 | 287.64 | 36.5 | 39.3 | 37.6 | 7.40 | 7.36 | 7.65 |
| Canning & Preserving | 224.11 | 244.11 | 245.75 | 35.8 | 39.5 | 36.9 | 6.26 | 6.18 | 6.66 |
| Other Food Products | 403.20 | 408.39 | 399.74 | 38.4 | 38.6 | 39.5 | 10.50 | 10.58 | 10.12 |
| Textile Mill Products | 216.00 | 218.95 | 196.84 | 36.0 | 37.3 | 37.0 | 6.00 | 5.87 | 5.32 |
| Apparel | 204.28 | 204.28 | 186.18 | 37.9 | 37.9 | 34.8 | 5.39 | 5.39 | 5.35 |
| Paper & Allied Products | 542.00 | 544.85 | 529.51 | 40.0 | 40.6 | 41.4 | 13.55 | 13.42 | 12.79 |
| Printing & Publishing | 397.19 | 386.31 | 386.14 | 35.4 | 34.4 | 34.6 | 11.22 | 11.23 | 11.16 |
| Construction 4/ | 528.17 | 537.26 | 535.00 | 35.4 | 36.4 | 33.5 | 14.92 | 14.76 | 15.97 |
| Communications & Utilities 5/ | 466.89 | 466.44 | 438.31 | 39.5 | 39.0 | 39.1 | 11.82 | 11.96 | 11.21 |
| Trade 5/ | 283.37 | 284.97 | 286.55 | 34.1 | 34.5 | 34.4 | 8.31 | 8.26 | 8.33 |
| Wholesale Trade | 384.38 | 382.02 | 379.38 | 37.5 | 37.6 | 37.9 | 10.25 | 10.16 | 10.01 |
| Retail Trade | 234.65 | 236.88 | 234.90 | 32.5 | 32.9 | 32.4 | 7.22 | 7.20 | 7.25 |
| Banking & Insurance | 264.32 | 263.32 | 246.96 | | | | | | |
| State & Local Government | 336.86 | 338.11 | 319.17 | | | | | | |

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1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

The mobile home industry which is recovering from the recession, posted the largest increases in weekly hours; both month to month (+4.4) and year to year (+3.2). With the large increase in hours worked, and substantial increases in the employment of lower skilled and lower paid workers, average hourly earnings took a large drop; 66 cents month to month and 46 cents year to year.

Other wood products didn't show a great deal of movement in a month to month comparison, but year to year weekly hours increased by 1.4 and average hourly earnings showed the largest increase of any industry. Average hourly earnings climbed from $10.06 in September 1982 to $10.68 in September 1983.

This large year to year jump in earnings is not due to pay increases, but rather to increased operations and overtime. More firms in this industrial sector have had increases in orders and as a consequence have gone back to operating their plants on a seven days per week basis rather than the five days per week operation they had been running last year when orders were low. The 24 hours per day seven days per week schedule is more efficient since it eliminates start up time for the plant equipment. It also generates overtime for the workers on a regular basis and raises their pay.

While employment in furniture and fixtures held steady average weekly hours dipped from 36.7 in August to 32.4 in September. This was the largest decrease in hours month to month in manufacturing. This decline was spread evenly among most firms in this industry. The firms contacted indicated that this was a normal seasonal slow down, that the pickup in housing construction had helped their orders, and that they were fairly optimistic about the short term outlook. One firm reported a solid set of orders, but that it was slowing down parts production and settling into assembly work which is normally done during the winter months. A spinoff of this slow down is a decrease in overtime which accounts for the 17 cent drop in hourly earnings.

Canning and preserving reached its peak of activity in September and showed a substantial increase in employment which caused a drop in average weekly hours (-3.7). Average weekly earnings also decreased as more lower paid workers were hired. In September beans, beets, and corn were being processed. Beans especially require large amounts of workers, and overlapping with beets and corn caused the increase in canning and freezing activity.

Employment and average hourly earnings in construction went up slightly between August and September (+900 and $.16) as this industry continued its expansion from the summer months. A year to year comparison is not so positive. Employment in September of this year is 900 below September of last year and average hourly earnings fell from $15.97 in September 1982 to $14.92 currently. Several firms and a member of a building trades council indicated that this decline in earnings can in large part be attributed to wage concessions made by union members during this last year. These reductions were designed to make employers more competitive. These concessions have taken a variety of forms: straight dollar reductions, percentage reductions, a sliding scale of wage rates that vary from project to project, and recently incentives to keep construction jobs all union by rebating 20% of wages to union employers for doing so.

## OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

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# OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

DECEMBER 1983

## NOVEMBER INDICATORS

### UNEMPLOYMENT RATE

| | S.A. | Raw |
|---|---|---|
| *Oregon* | | |
| Nov. '83 | 10.6 | 10.4 |
| Oct. '83 | 10.3 | 9.1 |
| *U.S.* | | |
| Nov. '83 | 8.4 | 8.1 |
| Oct. '83 | 8.8 | 8.4 |

### WAGE AND SALARY EMPLOYMENT INDEX

| *Oregon* | 1977=100 |
|---|---|
| Nov. 1983: | 102.1 |
| Oct. 1983: | 102.0 |
| Nov. 1982: | 101.2 |
| Nov. 1981: | 105.8 |
| Nov. 1980: | 110.7 |
| Nov. 1979: | 114.6 |

### DIFFUSION INDEX

| *Oregon* | |
|---|---|
| Nov. 1983 | 58.5 |
| Oct. 1983: | 59.3 |
| Sep. 1983: | 52.7 |
| Aug. 1983: | 53.9 |
| July 1983: | 52.3 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| *Oregon* | |
|---|---|
| Oct. 1983: | 38.9 |
| Sep. 1983: | 39.6 |
| Oct. 1982: | 38.3 |

### CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

| | |
|---|---|
| *Portland SMSA* | |
| Nov. 1983 | 293.9 |
| Year Change | + 2.9 |
| *U.S.* | |
| Nov. 1983 | 303.1 |
| Year Change | + 3.2 |
| Portland Hotline | 221-4132 |

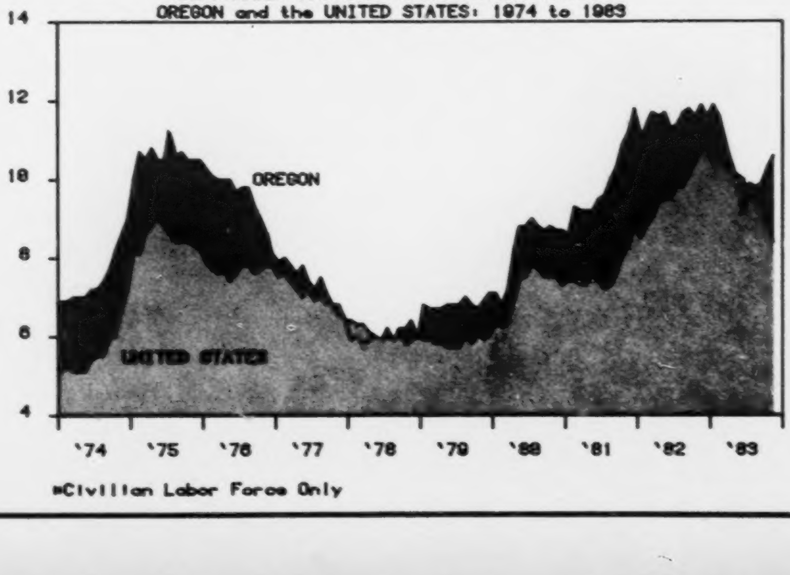
## SLOWLY IMPROVING, BUT . . .

In keeping with this trend, the nation's unemployment rate dropped from 8.8% in October to 8.4% in November. This drop was due to the growing momentum of the recovery. The trend over the past few months shows a marked decline in unemployment and an increase in employment.

The national recovery has been following the "classic textbook" sequence with gains in productivity, declines in unemployment, decreased inflation and increased consumer spending. The national economy is now entering its second year of recovery and should show a slowing growth trend, a slightly larger inflation rate, continued optimistic consumer spending, and a continued (but slower) decrease in the unemployment rate.

While the nation's unemployment rate in November fell, Oregon's rate rose from 10.3% to 10.6% during the same time period. This .3 increase from October to November has occurred for three consecutive years. The number of unemployed Oregonians in November was 136,600; the approximate combined population of the cities of Salem and Corvallis. Still this is the lowest number of unemployed Oregonians in November since 1980. In spite of Oregon's usual pattern of entering and exiting the recession ahead of the national economy, recovery for Oregon started and then levelled off soon afterwards, unlike the national economy. Although marked increases can be seen in the over the year figures, the improvement has not paralleled the national performance, as evidenced by the seasonally adjusted Nonagricultural Wage and Salary Employment Indexes. A following graph shows

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1974 to 1983



*Civilian Labor Force Only

## RESIDENT OREGON LABOR FORCE

| | 1/ Nov. 1983 | 2/ Oct. 1983 | Change | % Change | 5/ Nov. 1982 |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,317,700 | 1,325,800 | - 8,100 | - 0.6 | 1,304,500 |
| Unemployment | 136,600 | 120,800 | +15,800 | +13.1 | 149,100 |
| Percent of Labor Force | 10.4 | 9.1 | xxx | xxx | 11.4 |
| Seasonally Adjusted Percent | 10.6 | 10.3 | xxx | xxx | 11.9 |
| Total Employment 4/ | 1,181,100 | 1,205,000 | -23,900 | -2.0 | 1,155,400 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | 1/ Nov. 1983 | 2/ Oct. 1983 | Nov. 1982 | Change From Oct. 1983 | Change From Nov. 1982 |
|---|---|---|---|---|---|
| TOTAL 3/ | 966,400 | 971,700 | 957,600 | -5,300 | 8,800 |
| Wage & Salary Employment Index 4/ | 102.1 | 102.0 | 101.2 | xxx | xxx |
| Diffusion Index 5/ | 58.5 | 59.3 | 43.0 | xxx | xxx |
| Total Manufacturing | 192,100 | 194,700 | 184,200 | -2,600 | 7,900 |
| Durable Goods | 135,000 | 135,500 | 129,800 | - 500 | 5,200 |
| Lumber & Wood Products | 63,600 | 64,700 | 57,300 | -1,100 | 6,300 |
| Logging & Sawmills | 32,100 | 32,900 | 29,400 | - 800 | 2,700 |
| Veneer & Plywood | 18,400 | 18,700 | 17,500 | - 300 | 900 |
| Millwork & Structural Wood | 7,300 | 7,300 | 5,700 | 0 | 1,600 |
| Mobile Homes | 2,200 | 2,200 | 1,500 | 0 | 700 |
| Other Wood Products | 3,600 | 3,600 | 3,200 | 0 | 400 |
| Furniture & Fixtures | 2,600 | 2,700 | 2,700 | - 100 | - 100 |
| Stone, Clay, Glass, & Concrete | 3,600 | 3,800 | 3,300 | - 200 | 300 |
| Primary Metals | 7,600 | 7,500 | 6,900 | 100 | 700 |
| Blast Furnaces, Iron & Steel | 4,000 | 3,800 | 3,900 | 200 | 100 |
| Nonferrous Metals | 3,600 | 3,700 | 3,000 | - 100 | 600 |
| Fabricated Metals | 9,100 | 9,300 | 8,800 | - 200 | 300 |
| Fabricated Structural Metals | 3,500 | 3,600 | 3,600 | - 100 | - 100 |
| Other Fabricated Metals | 5,600 | 5,700 | 5,200 | - 100 | 400 |
| Machinery | 14,500 | 14,400 | 15,500 | 100 | -1,000 |
| Electrical Equipment & Supplies | 10,000 | 9,800 | 9,500 | 200 | 500 |
| Transportation Equipment | 7,400 | 6,800 | 7,400 | 600 | 0 |
| Instruments & Related Products | 14,100 | 14,000 | 16,000 | 100 | -1,900 |
| Miscellaneous Manufacturing | 2,500 | 2,500 | 2,400 | 0 | 100 |
| Nondurable Goods | 57,100 | 59,200 | 54,400 | -2,100 | 2,700 |
| Food & Kindred Products | 27,300 | 29,500 | 25,300 | -2,200 | 2,000 |
| Canning & Preserving | 16,300 | 18,600 | 14,800 | -2,300 | 1,500 |
| Other Food Products | 11,000 | 10,900 | 10,500 | 100 | 500 |
| Textile Mill Products | 1,700 | 1,700 | 1,700 | 0 | 0 |
| Apparel | 2,800 | 2,800 | 2,600 | 0 | 200 |
| Paper & Allied Products | 9,600 | 9,300 | 9,400 | 300 | 200 |
| Printing & Publishing | 10,300 | 10,300 | 10,200 | 0 | 100 |
| Chemicals & Allied Products | 2,100 | 2,100 | 2,000 | 0 | 100 |
| Petroleum Refining | 500 | 600 | 500 | - 100 | 0 |
| Rubber & Plastic Products | 2,500 | 2,600 | 2,400 | - 100 | 100 |
| Leather Products | 300 | 300 | 300 | 0 | 0 |

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | Nov. 1983 | Oct. 1983 | Nov. 1982 | Change From Oct. 1983 | Change From Nov. 1982 |
|---|---|---|---|---|---|
| (cont.) | | | | | |
| Total Nonmanufacturing | 774,300 | 777,000 | 773,400 | -2,700 | 900 |
| Mining & Quarrying | 1,300 | 1,700 | 1,500 | - 400 | - 200 |
| Construction | 28,600 | 31,700 | 29,000 | -3,100 | - 400 |
| Transportation, Communications, & Utilities | 55,200 | 55,900 | 56,600 | - 700 | -1,400 |
| Transportation | 32,100 | 32,800 | 32,100 | - 700 | 0 |
| Railroad | 5,400 | 5,600 | 5,800 | - 200 | - 400 |
| Trucking & Warehousing | 16,900 | 17,100 | 16,300 | - 200 | 600 |
| Other Transportation | 9,800 | 10,100 | 10,000 | - 300 | - 200 |
| Communications | 14,500 | 14,500 | 15,600 | 0 | -1,100 |
| Utilities | 8,600 | 8,600 | 8,900 | 0 | - 300 |
| Trade | 243,500 | 242,600 | 240,300 | 900 | 3,200 |
| Wholesale Trade | 61,800 | 61,600 | 60,200 | 200 | 1,600 |
| Durable Goods | 36,200 | 36,100 | 35,400 | 100 | 800 |
| Nondurable Goods | 25,600 | 25,500 | 24,800 | 100 | 800 |
| Retail Trade | 181,700 | 181,000 | 180,100 | 700 | 1,600 |
| General Merchandise | 25,500 | 25,200 | 25,400 | 300 | 100 |
| Food Stores | 28,300 | 27,900 | 27,000 | 400 | 1,300 |
| Auto Dealers & Service Stations | 22,900 | 22,800 | 21,400 | 100 | 1,500 |
| Other Retail Trade | 105,000 | 105,100 | 106,300 | - 100 | -1,300 |
| Finance, Insurance, & Real Estate | 63,900 | 63,800 | 63,900 | 100 | 0 |
| Banking & Credit Agencies | 23,500 | 23,400 | 23,300 | 100 | 200 |
| Other Finance, Insurance, & Real Estate | 40,400 | 40,400 | 40,600 | 0 | - 200 |
| Services | 185,100 | 187,000 | 184,500 | -1,900 | 600 |
| Hotels & Personal Services | 20,500 | 21,100 | 21,100 | - 600 | - 600 |
| Health Services | 65,000 | 65,600 | 65,100 | - 600 | - 100 |
| Other Services | 99,600 | 100,300 | 98,300 | - 700 | 1,300 |
| Government | 196,700 | 194,300 | 197,600 | 2,400 | - 900 |
| Federal Government | 29,000 | 28,800 | 28,700 | 200 | 300 |
| State Government | 53,100 | 53,200 | 51,800 | - 100 | 1,300 |
| Education | 23,200 | 23,000 | 22,800 | 200 | 400 |
| Other State | 29,900 | 30,200 | 29,000 | - 300 | 900 |
| Local Government | 114,600 | 112,300 | 117,100 | 2,300 | -2,500 |
| Education | 73,500 | 71,100 | 73,600 | 2,400 | - 100 |
| Other Local | 41,100 | 41,200 | 43,500 | - 100 | -2,400 |
| Labor-Management Disputes | 1,400 | 1,400 | 100 | 0 | 1,300 |

1/ Preliminary

2/ Revised

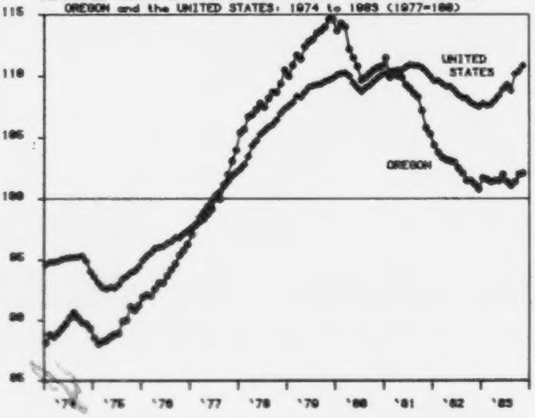
3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

that in March 1981 the indexes for Oregon and the United States crossed at approximately 110.4. The U.S. index continued to climb to 110.9 before falling to 107.5 in December 1982, while Oregon's index plunged to 100.8 during the same period. While Oregon's index remained at about this level throughout most of 1983, the U.S. has risen to above 110 reflecting the recovery in the national economy.

SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
OREGON and the UNITED STATES: 1974 to 1983 (1977=100)



The Oregon Diffusion Index fell 1.6 points to 58.5 for November. This is only the third month in 1983 that the index has fallen and it is currently the second highest level since May of 1979, the month in which the first significant drop (3.9 points) occurred prior to the onset of the recession. October to November changes in the Index have reported declines eight of eleven years. The three years in which increases occurred were 1975, 1978, and 1982; the first and last following periods of recession and 1978 preceeding the record highs of 1979. The October-November change this year is the smallest decline recorded over the 11 year period.

Conditions of recovery are many, with strong and sometimes surprising variations. In spite of steady retrenchment in market prices through September, employment has managed to remain fairly vigorous. Total lumber and wood products employment rose a seasonally adjusted 400 for November and remains 6,300 above year ago levels. Sporadic closures, however, have occurred and are expected to continue. This comes as no surprise as it reflects varying cost factors affecting firms - all firms - walking a very narrow line between profit and loss. Thus far, sales volume and current inventory levels seem to reflect a more optimistic alternative to look forward to this coming year. Strength in lumber and wood was also reflected in a recent over-the-year comparison of overtime hours. Total manufacturing overtime hours rose 30%, while the wood products industry climbed a whopping 62%.

While far from bullish, other durables have been showing signs of contributing to the rebuilding of the state's economy. Orders for steel and equipment are improving as firms begin to repair or replace worn machinery (idle equipment doesn't wear out quickly). Added to this was the recent reopening of the only integrated nickel complex in the U.S. Under a special agreement providing low cost power, 100+ employees have been able to return to work. Recent multimillion dollar contracts for barges and railcars have also allowed nearly 100 employes to return to work. Shipbuilding activity has increased as well. with additional ship repair contracts coming in following the recent strike. While taken individually, none of the increases were particularly significant, but together they contributed to a 1,000 gain in seasonally adjusted employment for November. Strike activity dampens further optimism with labor disputants numbering over 700.

A seasonally adjusted employment gain of 1,400 masks some disturbing conditions within the food and kindred products sector of nondurable goods. The Governor recently declared the commercial fishing industry an economic emergency disaster. Employment fell nearly 800 over the month in seafood processing. Elsewhere, the recent announcement by a major canning company that it is closing one of its plants will mean 400 fewer seasonal jobs. The industry is plagued by rising costs of servicing large market areas away from Oregon and increasing competition from producing areas outside the state.

November's construction employment was hit exceedingly hard as seasonally adjusted employment fell 1,700. Road work especially "took it on the chin." Fair weather in October held employment levels artificially high at that time, thus magnifying the seasonal drop during the November deluge. Recovery of the building industry which has been driven by public works will be in a holding pattern until commercial and industrial construction brings new thrust.

Employment in trade continued to fall short of seasonal expectations (-800) as holiday hiring remained soft. Shoppers were very cautious last year and as a result retailers have thus far been hesitant to overhire, relying instead upon working present staff longer hours. Optimism is obvious however, for increased consumer spending. As such, expectations are for a hiring surge in December. Over the last 10 years, December hires have averaged 3,500 or 55% of total seasonal gains. It is anticipated that the 1983 holiday season will add 3,000+ to December's employment totals which is a significant gain over the past couple of years.

Total service employment fell 1,900 in November in part due to the ending of seasonal tourist traffic. The more significant shift, however, came in Health Services (-600) which of late has experienced a declining patient population. Focus has so far been on the sharp drop in elective surgeries and other health care, but several health providers are now reporting additional pressures on operating costs. Mandated health care reimbursements for patients receiving Federal assistance will also begin to press health care facilities to examine personnel needs in light of potentially falling revenues.

Government employment gains in November were 1,200 above normal seasonal expectations. Unseasonably large increases in community college employment was the dominant force leading to expanding employment in the education field.

In retrospect, November 1983 was the best November Oregon has had for three years showing slow but relatively steady improvement. But the months data also highlighted a major long run problem, i.e., economic dependency on one or two major industries which are susceptible to shifts in National policies and priorities. The prognosis for Oregon's economic health is cloudy if it continues to be based so strongly upon lumber and wood products associated activities.☐

# 1983 IN REVIEW

Nineteen eighty-three will go down as a year of transition when one of the most protracted recessions finally gave way to economic recovery in both Oregon and the nation. One year ago most economists were in rare agreement that the recession was ending and that economic growth would resume in 1983. The expected recovery however, would probably be at a somewhat anemic pace due to exceptionally high rates of unemployment and real interest rates, and low consumer confidence.

For the nation this cautious outlook proved to be too conservative. Dramatic improvements occurred in many national economic indicators throughout 1983. Among these were the:

Unemployment rate, which dropped sharply from last December's peak of 10.8% to 8.4% currently.

Total employment, which now stands 3.7% higher than a year ago.

Housing starts, which are expected to total about 1.7 million in 1983 compared to 1982's depressed level of 1.1 million.

Inflation. The average rate of increase in consumer prices (CPI-all urban) will be about 3-1/2% in 1983 versus 6.1% in 1982.

Retail Sales. Consumers began to satisfy many of their pent-up demands especially for big ticket durable goods like autos. Record increase tax refunds, the 10% federal income tax cut in July and lower inflation all boosted consumer confidence. Total retail sales in November were up 10.8% from a year ago, with durable goods sales nearly 20% higher.

Industrial Production. In November industrial production was up nearly 16% from one year ago as the nation's factories try to keep one step ahead of the growth in final sales. Much of this improvement reflects the rebound in the auto industry. Industrial production has risen in every month this year since hitting bottom in December 1982.

Despite the improvements in these and other national economic series this year the economy still has a number of nagging problems and soft spots. These include still high interest rates an overvalued dollar in foreign exchange markets, weakness in export-oriented industries including agriculture, record federal budget deficits approaching $200 billion a year, still high unemployment rates, and a low level of business plant and equipment spending - though this has started to pick up recently.

In Oregon the recovery has not been as strong for several reasons. One of these is the continued loss of population due to several years of declining employment opportunites. Preliminary estimates of Oregon's 1983 population indicate that net outmigration increased from 25,000 between 1981-82 to nearly 40,000 between 1982-83. Since these outflows exceeded the rate of natural increase Oregon's total population has declined for the past two years - by 4,500 and 21,100 respectively! Although the 1983 data are preliminary, they do reflect a population trend which adversely impacts the rate of Oregon's economic recovery. Demand for a wide range of products and services are lower than they would otherwise be and in some cases supplies are greater. For example, when people leave the state the supply of vacant housing rises which in turn limits the need for new construction. A longer term view of this shrinking population base could mean, however, more stability for Oregon's economic future. The stability could lessen the extreme fluctuations in Oregon's lumber industry if housing demand and interest rates stabilize in the latter half of the decade.

Another reason for Oregon's slower turnaround involves our industry mix. A surge in housing construction and consumer spending for durable goods at the national level fueled the initial phase of the U.S. recovery. Declining interest rates since the fall of 1982 through May of this year coupled with sharp increases in the rate of U.S. housing starts rejuvenated Oregon's lumber and wood products industry. Mills reopened and workers were called back earlier this year in response to the surge in new orders and higher market prices. But the Federal Reserve tightened its monetary policy significantly in May, hoping to slow the recovery and prevent inflation from getting out of control. Mortgage interest rates rose by a couple of percentage points, and lumber and plywood prices declined sharply during the summer months. In response to price increases there have recently been scattered mill closures and layoffs in Oregon's timber industry as market conditions softened and the pace of U.S. housing construction slowed. Despite this slowdown, employment in Oregon's lumber and wood products industry was still 6,300 higher in November than one year ago. Although employment in the lumber industry will average about 7,000 higher in 1983 than 1982's 55,500, it is still a far cry from the 81,000 level of 1978 and 1979.

Oregon's durable goods manufacturing sector is much more sensitive to housing construction and capital goods spending than to consumer demands. Even the Federal government's huge increase in defense spending has largely passed by Oregon. Since capital spending is typically one of the last areas to improve following a recession and since export markets for many Oregon products are still weak, significant improvement in this basic sector of Oregon's economy will not occur until 1984. Oregon's electronics or "high tech" industry for example, has languished throughout 1983 and only recently appears to be turning the corner toward recovery.

Another major economic sector in Oregon which is slowly recovering from the past few years of adversity is agriculture. It is still too early to assess the overall impact on net farm income, but 1983 should be a better year for many in this industry. Although poor weather, low farm prices and federal acreage reduction programs are expected to reduce overall cash farm income in 1983, farm expenses will likely be lower also. As always however, some will prosper and some will suffer due to the diversified nature of Oregon's agriculture. Wheat farmers for example benefitted from record yields and the federal payment in kind (PIK) program despite fewer acres in production and low prices due to excess supplies. Livestock producers however had a poor year as feed grain prices rose in response to acreage reductions and last summer's severe drought in the midwest causing livestock prices to drop sharply.

Tourism was again one of the bright spots for Oregon in 1983. Since tourism is not an industry per se but rather an economic activity that involves a number of specific industries like restaurants, lodging places, amusement/recreation services and others, it is harder to gauge the extent of improvement in employment terms. One indirect measure of performance however is the visitor count at the State's six border information centers during the May 30-October 30 travel season. The Tourism Division of the Oregon Economic Development Department reports that these centers served more than a quarter-million visitors in 1983, representing a 6% increase over 1982. The largest gains occurred at centers in Portland (+15%) Klamath Falls (+14%) and Brookings (+12%). Only the Siskiyou center reported a decline in visitors this year (-3%). The overall gain, especially at Klamath Falls, partially reflects the completion of construction projects on U.S. Highway 97 which caused traffic delays during the 1982 season. However, reflecting one negative in the tourist related industries was the conspicuous absence of large numbers of business travelers from certain areas of the state. Most of this is probably due to firms trying to reduce their overhead expenses in this current economy.

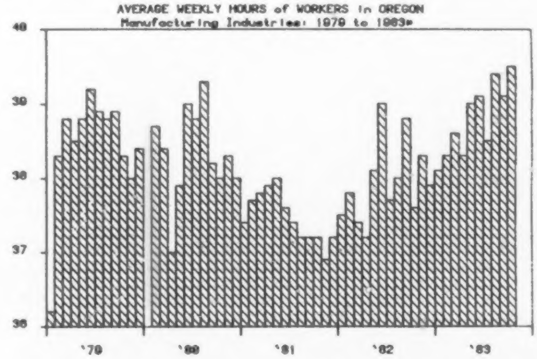
For an overall picture of how Oregon's economy, or at least its labor market, fared in 1983, an examination can be made of several key economic indicators produced by the Employment Division. These include the seasonally adjusted unemployment rate, nonfarm wage and salary employment index, Oregon diffusion index, and the average length of the workweek in manufacturing.

Oregon's unemployment rate began the year at a record high 11.9% in January with 176,800 persons looking for work. The rate dropped each month until June when it reached 9.1%, the low point for the year. After reverting to the 9.9% level throughout the third quarter, the jobless rate began to rise again reaching 10.3% in October and 10.6% in November. We can expect Oregon's unemployment to average about 141,000 persons in 1983, or 10.6% of the labor force. This indicates modest improvement has occurred since 1982 when unemployment averaged 152,000 persons or 11.5%. Some of this improvement however may reflect out-migration of unemployed workers to other states. Despite the drop in Oregon's unemployment rate in 1983 we will fare worse than the nation whose jobless rate is expected to change little from 1982's 9.7%.

While the jobless rate is usually regarded as a "lagging economic indicator" in the early stages of recovery, the nonfarm wage and salary employment index is considered a good "coincident indicator", meaning that its movement roughly parallels the trend of the general economy. The accompanying graph shows that the two year long slide in this key indicator ceased in December, 1982 when the index hit bottom at 100.8% of the 1977 annual average. Unlike the nation's employment index which reversed direction and started rising strongly, Oregon's has been bumping along near the bottom all year. Although a series of major labor disputes caused the employment index to temporarily fall back during the summer months, it has basically been stable. This indicates that employment trends since January have generally been following the normal seasonal pattern, nothing more. After three years of almost continuous recession Oregon needs a strong recovery, not just a breathing spell. For 1983, Oregon's employment index is expected to average about 101.7, which is nearly a full point below 1982's depressed level of 102.6.

Oregon's diffusion index (see graph on page 4) and average manufacturing workweek fall into the "leading economic indicator" category. Both of these series show 1983 in a more favorable light. The diffusion index, a measure of the percentage of industries showing an increase in seasonally adjusted employment, has risen almost every month during 1983. In January 1982 this indicator bottomed out at 28.3%. It began 1983 at 44.2, and has continued to climb almost without interruption through November when it was 58.5.

Average weekly hours in Oregon's manufacturing industries have shown a similar improvement trend during 1983. Although this economic series is not seasonally adjusted, the number of hours worked each month this year has been greater than the same month in 1982. The average increase in the manufacturing workweek during 1983 has been about one full hour above last year's average of 37.9 hours.



* Ave. Wkly. Hrs: Jan '80, 35.4.

Both of these leading indicators therefore are cause for optimism, and signal that Oregon's economy should continue to improve in 1984. Another key barometer of Oregon's economy which will also heavily influence the outlook for 1984 will be the strength of retail sales during the Christmas season. At this writing it appears that consumers are in an optimistic and buying mood. Strong, perhaps even record sales during this holiday season would tend to boost economic activity in 1984 as business firms replenish their depleted inventories. In the next issue of Oregon Labor Trends we will take a closer look at the 1984 economic outlook.

In summary, Oregon's economy stopped sinking and began to show some improvement in 1983. Our recovery however has not been slower than the nation's. Soft spots remain and it will take at least a couple more years of recovery before Oregon's economy can recoup the job losses suffered during the 1980-1982 recession. The year 1983 should be regarded as the first step along this reconstruction road.□

# HOURS AND EARNINGS – RESPONDING TO RECOVERY

Industrial production as measured by hours paid continues to remain resilient in the face of the oncoming winter slowdown. Much of this can be attributed to efforts to restock inventories depleted by the surge in demand for products during the early spring and summer months. Inventories, which act as a buffer to manufacturing activities, can usually sustain limited surges in demand. However, supply constraints imposed by already depleted inventories brought a more immediate response in production activity. The subsequent swing from drawing inventories down to efforts of restocking is an important shift; one that has sustained production levels for October and signals the potential for increased activity in the coming months. The increase in manufacturing activity and capacity use also mark the beginnings of a more sustainable capital spending motivated recovery. This occurs as producers replace and improve machinery worn by the heightened economic activity.

A closer look at hours, specifically overtime hours, underscores the dramatic upturn in production activity. Over the year from October 1982 to October 1983, overtime hours for all manufacturing rose by 30%. Lumber and Wood Products provided a big push, climbing a whopping 62%. Overtime hours for all other manufacturing, except Lumber and Wood Products, rose also by a respectable 12.4%. The spinoff from this is an increase in demand for materials and capital improvements. The overriding caution is that changes don't occur overnight and, given Oregon's sensitivity to external forces such as interest rates, any transition is bound to be fragile.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Oct.2/ 1983 | Sept.3/ 1983 | Oct. 1982 | Oct.2/ 1983 | Sept.3/ 1983 | Oct. 1982 | Oct.2/ 1983 | Sept.3/ 1983 | Oct. 1982 |
| TOTAL MANUFACTURING 4/ | $398.95 | $395.69 | $377.13 | 39.5 | 39.1 | 37.6 | $10.10 | $10.12 | $10.03 |
| Durable Goods | 424.68 | 419.75 | 398.24 | 40.6 | 39.9 | 38.0 | 10.46 | 10.52 | 10.48 |
| Lumber & Wood Products | 445.67 | 433.87 | 400.60 | 41.0 | 39.3 | 37.3 | 10.87 | 11.04 | 10.74 |
| Logging & Sawmills | 477.92 | 465.24 | 440.07 | 41.2 | 38.9 | 38.3 | 11.60 | 11.96 | 11.49 |
| Veneer & Plywood | 451.00 | 426.66 | 385.19 | 41.3 | 39.0 | 36.1 | 10.92 | 10.94 | 10.67 |
| Millwork & Struct Wood | 348.94 | 348.53 | 282.41 | 41.1 | 41.1 | 36.3 | 8.49 | 8.48 | 7.78 |
| Mobile Homes | 268.60 | 307.13 | 283.27 | 36.2 | 41.9 | 34.8 | 7.42 | 7.33 | 8.14 |
| Other Wood Products | 429.47 | 426.13 | 379.34 | 40.1 | 39.9 | 37.3 | 10.71 | 10.68 | 10.17 |
| Furniture & Fixtures | 257.07 | 248.07 | 267.62 | 33.0 | 32.9 | 35.4 | 7.79 | 7.54 | 7.56 |
| Primary Metals | 531.65 | 516.60 | 485.59 | 43.4 | 42.8 | 38.6 | 12.25 | 12.07 | 12.58 |
| Fabricated Metals | 386.97 | 388.55 | 383.30 | 40.1 | 40.9 | 38.6 | 9.65 | 9.50 | 9.93 |
| Machinery | 397.32 | 401.25 | 403.48 | 39.3 | 39.3 | 38.1 | 10.11 | 10.21 | 10.59 |
| Nondurable Goods | 337.46 | 338.35 | 329.57 | 36.8 | 37.1 | 36.7 | 9.17 | 9.12 | 8.98 |
| Food & Kindred Products | 278.33 | 274.00 | 270.33 | 36.1 | 36.1 | 35.9 | 7.71 | 7.59 | 7.53 |
| Canning & Preserving | 231.16 | 229.80 | 218.73 | 35.4 | 35.3 | 34.5 | 6.53 | 6.51 | 6.34 |
| Other Food Products | 392.64 | 403.20 | 394.97 | 37.9 | 38.4 | 39.3 | 10.36 | 10.50 | 10.05 |
| Textile Mill Products | 205.21 | 216.00 | 200.34 | 34.9 | 36.0 | 37.1 | 5.88 | 6.00 | 5.40 |
| Apparel | 208.66 | 204.28 | 184.73 | 37.8 | 37.9 | 34.4 | 5.52 | 5.39 | 5.37 |
| Paper & Allied Products | 524.50 | 549.18 | 520.66 | 39.2 | 40.5 | 40.9 | 13.38 | 13.56 | 12.73 |
| Printing & Publishing | 395.50 | 396.77 | 272.56 | 35.0 | 35.3 | 33.9 | 11.30 | 11.24 | 10.99 |
| Construction 4/ | 526.26 | 528.17 | 549.79 | 35.8 | 35.4 | 34.6 | 14.70 | 14.92 | 15.89 |
| Communications & Utilities 5/ | 478.92 | 467.68 | 438.08 | 39.0 | 39.4 | 38.7 | 12.28 | 11.87 | 11.32 |
| Trade 5/ | 283.71 | 285.23 | 279.48 | 34.1 | 34.2 | 34.0 | 8.32 | 8.34 | 8.22 |
| Wholesale Trade | 391.02 | 384.00 | 369.27 | 38.0 | 37.5 | 37.3 | 10.29 | 10.24 | 9.90 |
| Retail Trade | 232.81 | 235.95 | 231.20 | 32.2 | 32.5 | 32.2 | 7.23 | 7.26 | 7.18 |
| Banking & Insurance | 262.99 | 264.32 | 241.31 | | | | | | |
| State & Local Government | 312.63 | 336.86 | 306.39 | | | | | | |

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1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

On the basis of continued strength in overtime work, average weekly hours rose .7 in October. Sawmills and Plywood operations sustained production levels as composite prices for Lumber and Plywood firmed up following a steady decline from June's peak. Contributing factors for healthier production center around rising optimism among suppliers that 1984 will be better and so are more willing to add to inventories in anticipation that conditions will continue to improve. The lone exception to this was Mobile Home Manufacturing where weekly hours fell 5.7 on the heels of temporary production curtailments at several plants.

Negotiated wage settlements led to a $.41 increase in hourly earnings for the Communications and Utility sectors. However, the restructuring of AT&T and a backlash from heavy investments in nuclear power have also had an effect. Eroding employment has driven up the proportion of higher paid workers adding to the upward push on average hourly earnings.

Business activity for Trade is improving, but is not readily noticeable. As measured by weekly hours a .1 drop was reported for October. This compares with an average 10 year decline of .3. Retail Trade posted a .3 drop for the current month compared with a 10 year average loss of .4. The less than expected drop in hours, however slight, coupled with a 1,330 jump in nonsupervisory employment reflects the growing confidence merchants are harboring. The added hope is that the anticipated consumer optimism during the next few months will ripple through other industries toward a broader based recovery.

Durable Goods, excluding Lumber and Wood Products, was selective in its optimism. Both Primary and Fabricated Metals remain above the 40 hour workweek mark at 43.4 and 40.1, respectively. The lumber industry has been running strong enough in recent months to require replacement parts along with upgrading equipment. Coupled with this has been the continued strength in primary metals such as Aluminum and improving conditions in construction that has increased the demand for steel products. As a result, overtime hours for Primary and Fabricated Metals firms climbed 70% over the year. These industries remain vulnerable, though, due to uncertainties over energy costs and interest rates. Some areas not so rosy included Ship Building and Repair, still recovering from a recent labor dispute, and selected areas of high tech where little or no change was evident in overtime.

Despite the cool wet weather of early summer, harvests were generally good. As a result, Canning and Preserving activity did not fall as much as might be expected. Average weekly hours for this industry maintained their strength by climbing a modest .1 to 35.4. This is .9 above the year ago level. The stronger activity and increased proportion of higher paid workers as seasonal layoffs take effect have pushed average hourly earnings up by $.12 for October in total Food and Kindred Products. However, an over-the-year comparison points out a continuing erosion in overtime hours and production worker employment for total Food & Kindred Products due to weakness in nearly all areas of Other Food.

Heavy Construction once again made gains for the Construction industry. Showing 750 additional workers, unseasonably warm weather provided the right climate for many projects. A decrease in the proportion of higher paid workers prompted a $.22 drop in hourly earnings. Wage concessions by unions have accounted for a vast majority of the $1.19 drop in average hourly earnings from October 1982.□

## OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

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# OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

JANUARY 1984

## DECEMBER INDICATORS

### UNEMPLOYMENT RATE

| Oregon | S.A. | Raw |
|---|---|---|
| Dec. '83 | 10.6 | 11.2 |
| Nov. '83 | 10.6 | 10.4 |
| U.S. | | |
| Dec. '83 | 8.2 | 8.0 |
| Nov. '83 | 8.4 | 8.1 |

### WAGE AND SALARY EMPLOYMENT INDEX

| Oregon | 1977=100 |
|---|---|
| Dec. 1983: | 101.7 |
| Nov. 1983: | 102.0 |
| Dec. 1982: | 100.8 |
| Dec. 1981: | 105.3 |
| Dec. 1980: | 110.8 |
| Dec. 1979: | 114.6 |

### DIFFUSION INDEX

| Oregon | |
|---|---|
| Dec. 1983: | 58.2 |
| Nov. 1983: | 59.3 |
| Oct. 1983: | 59.3 |
| Sep. 1983: | 52.7 |
| Aug. 1983: | 53.9 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| Oregon | |
|---|---|
| Nov. 1983: | 38.9 |
| Oct. 1983: | 39.6 |
| Nov. 1982: | 38.3 |

### CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

| Portland SMSA | |
|---|---|
| Nov. 1983 | 293.9 |
| Year Change | + 2.9 |
| U.S. | |
| Dec. 1983 | 303.5 |
| Year Change | + 3.8 |

Portland Hotline 221-4132

## DECEMBER CAPS A BETTER YEAR

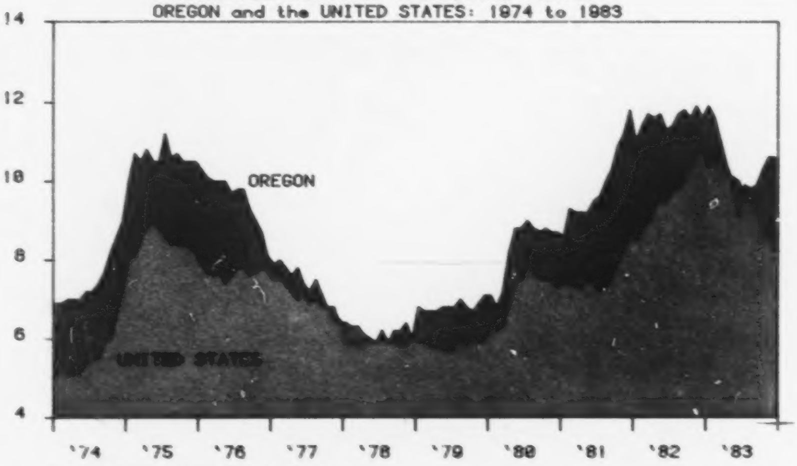
Oregonians called 1983 "better", "improved", "encouraging", "on the right track", but few called it "good". That was the general feeling among analysts about employment and unemployment in 1983.

Economists breathed a sigh of relief when Oregon's seasonally adjusted unemployment rate held even in December at 10.6%. In nearly every month since last June, the state's unemployment rate had increased. However, December losses in total employment (-17,700) and increases in unemployment (+9,200) were near normal for this time of the year. While 146,000 Oregonians were still out of a job, the latest tally showed marked improvement over one year ago.

Meanwhile, the nation's civilian unemployment rate displayed its largest yearly drop since 1950. December saw the seasonally adjusted rate subside to 8.2%, the lowest level recorded since October 1981. National job market improvements over the past year far exceeded nearly every forecast. U.S. auto makers posted sales gains of nearly 25% in December, retailers reported robust double digit holiday sales gains, and stock market prices were near record levels.

Also, nationally, those classified as "discouraged workers", i.e., persons no longer counted as unemployed because they have abandoned their search for jobs, decreased in the fourth quarter of 1983 to 1.5 million, down 350,000 from its recession peak in the fourth quarter of 1982. Though no totally accurate count is

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1974 to 1983



*Civilian Labor Force Only

## RESIDENT OREGON LABOR FORCE

| | 1/<br>Dec.<br>1983 | 2/<br>Nov.<br>1983 | Change | % Change | 5/<br>Dec.<br>1982 |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,307,600 | 1,316,000 | - 8,400 | -0.6 | 1,295,300 |
| Unemployment | 146,000 | 136,700 | + 9,300 | +6.8 | 153,100 |
| Percent of Labor Force | 11.2 | 10.4 | xxx | xxx | 11.8 |
| Seasonally Adjusted Percent | 10.6 | 10.6 | xxx | xxx | 11.6 |
| Total Employment 4/ | 1,161,600 | 1,179,300 | -17,700 | -1.5 | 1,142,200 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | 1/<br>Dec.<br>1983 | 2/<br>Nov.<br>1983 | Dec.<br>1982 | Change From<br>Nov.<br>1983 | <br>Dec.<br>1982 |
|---|---|---|---|---|---|
| TOTAL 3/ | 957,900 | 964,700 | 950,200 | -6,800 | 7,700 |
| Wage & Salary Employment Index 4/ | 101.7 | 102.0 | 100.8 | xxx | xxx |
| Diffusion Index 5/ | 58.2 | 59.3 | 41.9 | xxx | xxx |
| Total Manufacturing | 185,500 | 188,400 | 180,000 | -2,900 | 5,500 |
| Durable Goods | 134,200 | 134,800 | 128,600 | - 600 | 5,600 |
| Lumber & Wood Products | 62,700 | 63,500 | 56,300 | - 800 | 6,400 |
| Logging & Sawmills | 31,500 | 32,100 | 28,400 | - 600 | 3,100 |
| Veneer & Plywood | 18,100 | 18,300 | 17,800 | - 200 | 300 |
| Millwork & Structural Wood | 7,400 | 7,300 | 5,600 | 100 | 1,800 |
| Mobile Homes | 2,100 | 2,200 | 1,400 | - 100 | 700 |
| Other Wood Products | 3,600 | 3,600 | 3,100 | 0 | 500 |
| Furniture & Fixtures | 2,600 | 2,600 | 2,500 | 0 | 100 |
| Stone, Clay, Glass, & Concrete | 3,400 | 3,600 | 3,000 | - 200 | 400 |
| Primary Metals | 7,900 | 7,700 | 7,000 | 200 | 900 |
| Blast Furnaces, Iron & Steel | 4,100 | 3,900 | 3,900 | 200 | 200 |
| Nonferrous Metals | 3,800 | 3,800 | 3,100 | 0 | 700 |
| Fabricated Metals | 8,900 | 9,100 | 8,900 | - 200 | 0 |
| Fabricated Structural Metals | 3,300 | 3,500 | 3,700 | - 200 | - 400 |
| Other Fabricated Metals | 5,600 | 5,600 | 5,200 | 0 | 400 |
| Machinery | 14,500 | 14,400 | 15,100 | 100 | - 600 |
| Electrical Equipment & Supplies | 10,100 | 10,000 | 9,400 | 100 | 700 |
| Transportation Equipment | 7,300 | 7,400 | 8,200 | - 100 | - 900 |
| Instruments & Related Products | 14,200 | 14,000 | 15,900 | 200 | -1,700 |
| Miscellaneous Manufacturing | 2,600 | 2,500 | 2,300 | 100 | 300 |
| Nondurable Goods | 51,300 | 53,600 | 51,400 | -2,300 | - 100 |
| Food & Kindred Products | 21,300 | 23,700 | 22,200 | -2,400 | - 900 |
| Canning & Preserving | 10,800 | 12,800 | 11,900 | -2,000 | -1,100 |
| Other Food Products | 10,500 | 10,900 | 10,300 | - 400 | 200 |
| Textile Mill Products | 1,700 | 1,700 | 1,800 | 0 | - 100 |
| Apparel | 2,800 | 2,800 | 2,600 | 0 | 200 |
| Paper & Allied Products | 9,700 | 9,600 | 9,500 | 100 | 200 |
| Printing & Publishing | 10,300 | 10,300 | 10,100 | 0 | 200 |
| Chemicals & Allied Products | 2,100 | 2,100 | 2,100 | 0 | 0 |
| Petroleum Refining | 500 | 500 | 400 | 0 | 100 |
| Rubber & Plastic Products | 2,600 | 2,600 | 2,400 | 0 | 200 |
| Leather Products | 300 | 300 | 300 | 0 | 0 |

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| | | | | Change From | |
|---|---|---|---|---|---|
| INDUSTRY | Dec. 1983 | Nov. 1983 | Dec. 1982 | Nov. 1983 | Dec. 1982 |
| (cont.) | | | | | |
| Total Nonmanufacturing | 772,400 | 776,300 | 770,200 | -3,900 | 2,200 |
| Mining & Quarrying | 1,500 | 1,400 | 1,200 | 100 | 300 |
| Construction | 25,900 | 29,000 | 26,400 | -3,100 | - 500 |
| Transportation, Communications, & Utilities | 55,300 | 55,600 | 56,700 | - 300 | -1,400 |
| Transportation | 32,200 | 32,500 | 32,300 | - 300 | - 100 |
| Railroad | 5,400 | 5,500 | 5,700 | - 100 | - 300 |
| Trucking & Warehousing | 16,900 | 17,200 | 16,700 | - 300 | 200 |
| Other Transportation | 9,900 | 9,800 | 9,900 | 100 | 0 |
| Communications | 14,500 | 14,500 | 15,400 | 0 | - 900 |
| Utilities | 8,600 | 8,600 | 9,000 | 0 | - 400 |
| Trade | 247,200 | 245,600 | 242,100 | 1,600 | 5,100 |
| Wholesale Trade | 61,100 | 61,700 | 59,500 | - 600 | 1,600 |
| Durable Goods | 36,000 | 36,100 | 35,000 | - 100 | 1,000 |
| Nondurable Goods | 25,100 | 25,600 | 24,500 | - 500 | 600 |
| Retail Trade | 186,100 | 183,900 | 182,600 | 2,200 | 3,500 |
| General Merchandise | 28,800 | 27,400 | 27,100 | 1,400 | 1,700 |
| Food Stores | 28,300 | 28,200 | 27,800 | 100 | 500 |
| Auto Dealers & Service Stations | 22,500 | 22,800 | 21,100 | - 300 | 1,400 |
| Other Retail Trade | 106,500 | 105,500 | 106,600 | 1,000 | - 100 |
| Finance, Insurance, & Real Estate | 63,800 | 63,800 | 63,800 | 0 | 0 |
| Banking & Credit Agencies | 23,600 | 23,500 | 23,300 | 100 | 300 |
| Other Finance, Insurance, & Real Estate | 40,200 | 40,300 | 40,500 | - 100 | - 300 |
| Services | 185,000 | 185,000 | 184,400 | 0 | 600 |
| Hotels & Personal Services | 20,300 | 20,600 | 21,100 | - 300 | - 800 |
| Health Services | 64,900 | 64,800 | 64,900 | 100 | 0 |
| Other Services | 99,800 | 99,600 | 98,400 | 200 | 1,400 |
| Government | 193,700 | 195,900 | 195,600 | -2,200 | -1,900 |
| Federal Government | 28,400 | 28,300 | 28,900 | 100 | - 500 |
| State Government | 51,300 | 52,700 | 50,500 | -1,400 | 800 |
| Education | 22,700 | 23,200 | 22,200 | - 500 | 500 |
| Other State | 28,600 | 29,500 | 28,300 | - 900 | 300 |
| Local Government | 114,000 | 114,900 | 116,200 | - 900 | -2,200 |
| Education | 73,200 | 73,700 | 72,700 | - 500 | 500 |
| Other Local | 40,800 | 41,200 | 43,500 | - 400 | -2,700 |
| Labor-Management Disputes | 1,400 | 1,400 | 0 | 0 | 1,400 |

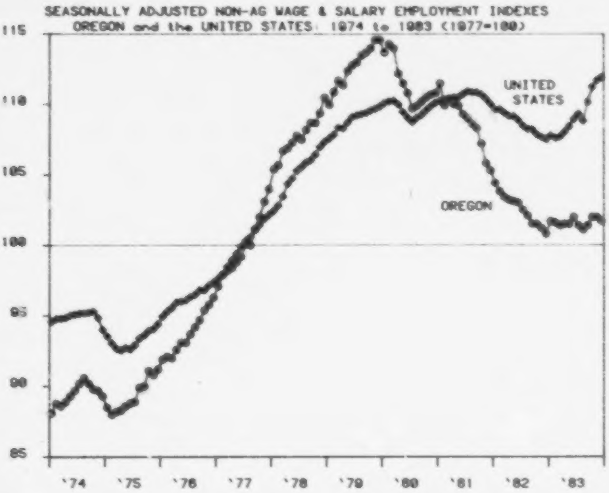
1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

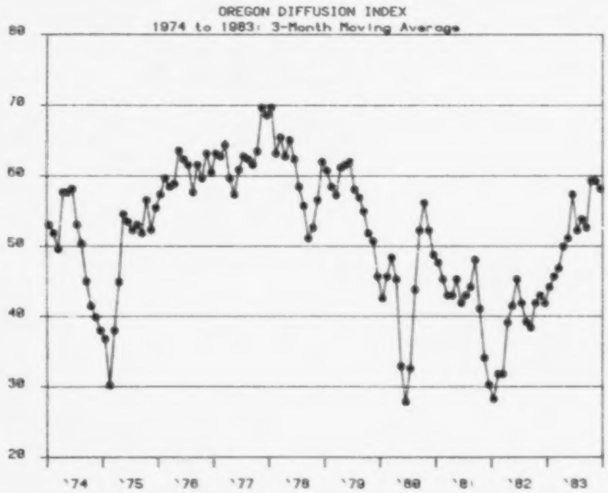
4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.



available, Oregon's share is probably more than the 24,000 estimated by applying the state's proportion of the nation's unemployed to the national discouraged worker total. Long term unemployment, greater in Oregon than most other states, leads to unemployed workers giving up the search for jobs they feel do not exist for them.

Oregon's diffusion index slipped 1.1 points to 58.2 for December. Since January this leading economic indicator has advanced 14 points. Its consistent showing in the high 50's for the last three months should mean that Oregon's employment will hold to seasonal trends or show some growth over the next few months.



Damage by Oregon's economic downturn which started in the fall of 1979 and the improvements experienced since reaching the bottom have not been spread evenly across all industries. While employment in Health Services, Retail Food Stores and Electrical Equipment and Supplies have actually increased, large losses continue to be counted in Lumber and Wood Products, Construction, Other Retail Trade, and Government.

EMPLOYMENT CHANGE SINCE 1979
Selected Industries
x1000

| | December 1983 | December 1979 | Change Number | Change Pct. |
|---|---|---|---|---|
| TOTAL | 957.9 | 1,076.3 | -188,400 | -11.0 |
| Manufacturing | 185.5 | 227.1 | -41,600 | -18.3 |
| Lumber & Wood Prod | 62.7 | 77.9 | -15,200 | -19.5 |
| Primary Metals | 7.9 | 11.4 | - 3,500 | -30.7 |
| Fabricated Metals | 8.9 | 14.2 | - 5,300 | -37.3 |
| Machinery | 14.5 | 17.9 | - 3,400 | -19.0 |
| Elec. Equip & Sup. | 10.1 | 9.4 | + 700 | + 7.4 |
| Trans. Equip. | 7.3 | 11.4 | - 4,100 | -36.0 |
| Food & Kindred | 21.3 | 24.2 | - 2,900 | -12.0 |
| Print. & Publ. | 10.3 | 10.4 | - 100 | - 1.0 |
| Other Mfg. | 42.5 | 50.3 | - 7,800 | -15.5 |
| Nonmanufacturing | 772.4 | 849.2 | -76,800 | - 9.0 |
| Construction | 25.9 | 52.5 | -26,600 | -50.7 |
| Transportation | 32.2 | 37.0 | - 4,800 | -13.0 |
| Wholesale Trade | 61.1 | 68.2 | - 7,100 | -10.4 |
| Retail Trade | 186.1 | 199.5 | -13,400 | - 6.7 |
| Food Stores | 28.3 | 24.7 | + 3,600 | +14.7 |
| Finance, Ins., R.E. | 63.8 | 70.3 | - 6,500 | - 9.2 |
| Services | 185.0 | 189.6 | - 4,600 | - 2.4 |
| Health Services | 64.9 | 60.6 | + 4,300 | + 7.1 |
| State Government | 51.3 | 54.7 | - 3,400 | - 6.2 |
| Local Government | 114.0 | 121.5 | - 7,500 | - 6.2 |
| Other Nonmfg. | 53.0 | 55.9 | - 2,900 | -10.6 |

No doubt, Oregon's hardest hit industry during the past few years has been Construction. Home construction rose about 12% but lagged behind the nation's 60% increase. Last year's permits numbered 8,215, up from the 7,351 permits recorded in 1982. Housing starts peaked in 1977-78 when the state issued more than 35,000 permits. High interest rates, out-migration, low used housing prices, job insecurity and other consumer uncertainties are blamed for employment being less than half of what it was in December 1979. Heavy construction, i.e., highways, bridges, docks and piers, dams, etc., have been hindered through belt-tightening by government, public utilities, and private business.

This winter's weather played a significant role in December's nosedive. December's Construction employment was 3,100 less than for November 1983. Hardest hit were outdoor activities such as Heavy Construction (-2,100) and Roofing and Concrete related work (-700). Regardless of the weather, the outlook is not good for the residential sector. Slower than normal permit activity portends continued sluggishness.

All eyes are on Oregon's sweetheart, Lumber and Wood Products. Even with the nation's respectable 1.7 million housing starts in 1983, obstacles to full recovery remain - high interest rates and transportation costs to southern and eastern markets are two. In December, heavy rainfall followed by abnormal cold forced shutdowns in some instances, but also required some workers to be called back to prevent damage to idle equipment. Despite inclement weather, employment stood 6,400 above a year ago. But as large and good looking as this gain is, it stems from a very depressed base. Except for the past two years, employment in the industry still hasn't been that low for over 10 years.

Although employment in Food and Kindred Products fell 2,400, the drop was 200 less than normally expected for this time of the year. There are some real concerns in this industry with poor seafood harvests, the recent closure of Agripac's southeast Salem plant, and a 5th year of poor returns for turkey growers.

In the midst of December's wind, rain, and snow, dreams of a merry Christmas came true for 5,700 persons finding jobs in retail stores for the holiday season. Following a slow start, holiday hiring for Retail Trade picked up in November and December. In fact, hiring exceeded the average for the last two years by 900. However, this still remains far below the number of Santa's helpers hired during better years.

While some local governments have benefited from incoming timber receipts, revenue shortfalls continue to dictate lower employment levels for most government bodies. Much of the 2,200 drop in total Government employment was due to school holidays.

Looked at simply, the nation's economy is on a roll while Oregon's recovery is at a crawl. But the state is on the right track and is, to a lesser degree, sharing in the nation's recovery.□

## THE EMPLOYER'S CORNER

Winter layoffs are hard on both the employer and the employe.

Work Share is a program through which business, labor, and the State of Oregon work together to produce an alternative to laying off workers. Under the Work Share program, if an employer reduces an employes work hours, the Employment Division will provide unemployment insurance benefits for the time lost. The result is the retention of a trained work force spared the hardship of total unemployment. The employer must be aware, however, that use of Work Share may result in a higher tax rate.

What are the Basic Rules of the Work Share Program?

- The hours of work are reduced between 20 and 40% in lieu of layoff.
- A pre-approved employer plan for up to a maximum of 52 weeks must be on file.
- A minimum of three employes must participate in an employer's Work Share Plan.
- Union agreement must be obtained where applicable.
- An individual must qualify for a regular unemployment claim, is limited to 26 weeks of Work Share benefits, but retains the balance of the claim amount should the person later become fully unemployed.
- The employe must have worked for the Work Share employer for a minimum of six months.

For more information please contact your nearest Employment Division office. You will be put in touch with appropriate staff who will explain the program and potential impacts on your tax rate.□

## 1984 ECONOMIC OUTLOOK

Nineteen Hundred Eighty-Four appears to be one of those rare years when all the economic forecasters can proclaim better times for the year ahead - and not regret it in December. When 1984 began, the economic recovery here in Oregon and the nation was about one year old. The first year of recovery was fairly typical. Inflation remained low, the national housing industry rebounded, consumers became optimistic and boosted their spending especially for big ticket durable goods like autos, and businesses began to cautiously rebuild their depleted inventories. A major surprise was the exceptionally rapid drop in the nation's unemployment rate over the past year which plummeted from a record high of 10.8% in December 1982 to 8.2% in December 1983. Total employment and GNP gains were also well above earlier expectations.

At this juncture the national recovery is still very young, but has enough momentum to virtually assure continued expansion throughout 1984 at the very least. Since Oregon's economic performance is largely dictated by national and even international developments we need to look at the larger picture first and make some assumptions.

One of the most important of these is that national monetary and fiscal policies will remain little changed in this election year. Fiscal policy will remain very stimulative with federal spending again exceeding revenues by some $180 billion. Increased defense spending will lead the way. The Federal Reserve is expected to minimize the inflation impacts of this deficit by allowing only moderate growth in the money supply. The result should be stable to slightly lower real (i.e. inflation adjusted) interest rates and only a small increase in the overall inflation rate.

Although the high level of interest rates will be a constraint on economic growth, no credit crunch is expected, at least in 1984. A major reason is that business profits are expected to again rise strongly this year due to higher sales volume and productivity gains. Higher profits, increased cash flow, a reluctance to increase debt, and favorable prospects for equity financing should keep business borrowing down in 1984. The crunch or "crowding out" problem may well occur in 1985 however if federal deficits are not significantly reduced.

Business plant and equipment spending has declined during the past three years, but is expected to rise strongly in 1984. Since the nation's factories are still operating below capacity much of this increase in capital spending will be for business equipment needed to improve productivity.

Consumer spending is expected to remain strong as real incomes rise due to lower income taxes and further improvement in the job market. Although the focus for maintaining the economic recovery will begin to shift from consumers to business spending on capital goods and inventories, retail sales to consumers will continue to rise and provide strong support for further expansion.

U.S. housing starts are expected to remain at or slightly above 1983's level of about 1.7 million. Nonresidential building and public works construction however will accelerate.

The U.S. dollar on international currency markets will continue to be overvalued, although some improvement is likely as the economic recovery begins to take hold overseas. A too strong dollar keeps inflation down at home, but it also encourages imports and hurts U.S. exports of agricultural products, manufactured goods and services.

Despite the strong dollar, agriculture is expected to fare better. Farm income should rise faster than farm expenses. Federal acreage reduction programs such as Payment in Kind (PIK) will still exist, but will be somewhat less attractive to farmers in 1984.

Oregon's economy in 1984 will reflect all of these external developments as well as others that are unique to the state.

Stable interest rates and housing construction starts will bring little improvement to Oregon's major basic industry - lumber and wood products. Since wood product inventories are still fairly low however, any drop in interest rates and/or increase in wood products demand could quickly translate into higher production and employment in this industry.

The shift in focus from consumer durable goods to business plant and equipment spending should benefit Oregon, since much of this state's durable goods manufacturing activity is concentrated on capital goods. Export sales of machinery, "high tech" equipment and other capital goods will continue to be restrained by the strong dollar, but domestic demand should pick up significantly. The continued build-up in federal defense spending will also generate higher activity in some sectors such as primary metals and ship repair. Oregon however, will benefit much less than other states with more defense contractors.

Recovery in Oregon's construction industry has been unusually slow so far. Gains in 1983 were confined to housing and heavy construction. Population losses in Oregon over the past two years plus excess industrial capacity and office space, especially in the Portland area, have taken their toll. In 1984 construction activity should begin to pick up at a faster pace, especially in the heavy construction and nonresidential building sectors. Little to no population growth statewide, and high office vacancy rates in Portland, will continue to exert a drag on the rate of recovery in Construction during 1984.

The weak population trend will also retard the recovery pace in most of the other nonmanufacturing industries in Oregon. Nevertheless, income and employment gains will support moderate expansion in Trade and Services.

Trade gains will probably come primarily in food stores, restaurants and general merchandise stores as consumer spending remains strong.

The outlook for tourism in Oregon is also positive this year. Economic recovery in the nation and particularly in this region including California is likely to bring more out-of-state visitors to Oregon. The Olympic Games in Los Angeles this summer may even cause more visitors to pass through Oregon.

The government sector will probably be one of the slowest to turn around in 1984 due to continued tight budgets and a growing trend toward contracting to private firms work formerly done by public employes.

Oregon agriculture can look forward to a better year in 1984. Markets and prices for livestock are expected to improve by spring. Most crop prices are also likely to move higher this year. Wheat farmers however will continue to experience problems from excess world supplies, the strong dollar, and low wheat prices.

All things considered, Oregon can look forward to a year of moderate economic growth - but no bonanza. The state's unemployment rate dropped from 11.5% in 1982 to 10.6% in 1983. A further reduction of about one percentage point is probable in 1984. Even this improvement however will not restore all the jobs lost since 1979.

The major concern in most quarters is what will happen to interest rates and Oregon's economy after 1984? The answer will be largely determined by how successful Congress and the Administration are in reducing Federal budget deficits.□

# HOURS AND EARNINGS – WHERE TO NOW

While all the effects of the past recession have not been totally eliminated, positive signs are accumulating. Anticipation that inflation will remain subdued and that interest rates will continue a conservative course through 1984 has had a healthy impact on the economy. As a result, factories have increased output to fill inventory gaps and growing levels of consumption. A return to the "good ol' days" does not appear likely though. Operations have become much leaner - more cost efficient - allowing producers to better respond to new market directions. So to control costs and maintain productivity momentum, expenditures by firms are more apt to go toward labor-saving investments rather than large hiring increases. Increasing manufacturing activity will result in employment gains, but most likely not to the extent of previous recoveries. More noticeable will be the strength in average weekly hours. As proof to date, 1983 average weekly hours have exceeded year ago levels by almost a full hour for total manufacturing.

Heavy dependence on natural resources along with a continuing sensitivity to interest rates still play a big role in Oregon's economy. Lumber and Wood Products rebounded sharply in early spring and remained strong through much of the year despite backsliding prices for goods produced. During this time average weekly hours posted significant gains and use of plant capacity has clung to the 90%+ range. An over-the-year comparison of weekly hours

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Nov.2/ 1983 | Oct.3/ 1983 | Nov. 1982 | Nov.2/ 1983 | Oct.3/ 1983 | Nov. 1982 | Nov.2/ 1983 | Oct.3/ 1983 | Nov. 1982 |
| TOTAL MANUFACTURING 4/ | 399.11 | 398.77 | 388.36 | 38.9 | 39.6 | 38.3 | 10.26 | 10.07 | 10.14 |
| Durable Goods | 416.15 | 425.14 | 407.81 | 39.9 | 40.8 | 39.1 | 10.48 | 10.42 | 10.43 |
| Lumber & Wood Products | 429.66 | 445.67 | 417.98 | 39.6 | 41.0 | 39.1 | 10.85 | 10.87 | 10.69 |
| Logging & Sawmills | 460.45 | 477.92 | 448.81 | 39.9 | 41.2 | 39.3 | 11.54 | 11.60 | 11.42 |
| Veneer & Plywood | 429.63 | 451.00 | 416.70 | 39.2 | 41.3 | 39.2 | 10.96 | 10.92 | 10.63 |
| Millwork & Struct Wood | 342.05 | 348.94 | 309.70 | 40.1 | 41.1 | 38.0 | 8.53 | 8.49 | 8.15 |
| Mobile Homes | 276.61 | 268.60 | 301.93 | 35.6 | 36.2 | 37.6 | 7.77 | 7.42 | 8.03 |
| Other Wood Products | 421.40 | 429.47 | 403.00 | 39.2 | 40.1 | 38.9 | 10.75 | 10.71 | 10.36 |
| Furniture & Fixtures | 264.19 | 255.75 | 261.36 | 34.9 | 33.0 | 36.0 | 7.57 | 7.75 | 7.26 |
| Primary Metals | 517.10 | 523.38 | 515.39 | 43.2 | 42.9 | 42.7 | 11.97 | 12.20 | 12.07 |
| Fabricated Metals | 382.14 | 386.00 | 393.57 | 39.6 | 40.0 | 39.2 | 9.65 | 9.65 | 10.04 |
| Machinery | 403.61 | 399.91 | 397.62 | 39.3 | 39.4 | 37.3 | 10.27 | 10.15 | 10.66 |
| Nondurable Goods | 349.93 | 337.64 | 343.83 | 36.3 | 36.9 | 36.5 | 9.64 | 9.15 | 9.42 |
| Food & Kindred Products | 285.80 | 278.42 | 291.56 | 34.6 | 36.3 | 35.6 | 8.26 | 7.67 | 8.19 |
| Canning & Preserving | 225.23 | 231.34 | 234.59 | 32.5 | 35.7 | 33.9 | 6.93 | 6.48 | 6.92 |
| Other Food Products | 402.71 | 392.64 | 401.06 | 38.5 | 37.9 | 38.9 | 10.46 | 10.36 | 10.31 |
| Textile Mill Products | 213.01 | 205.21 | 203.44 | 36.6 | 34.9 | 36.2 | 5.82 | 5.88 | 5.62 |
| Apparel | 216.84 | 208.66 | 182.86 | 39.0 | 37.8 | 33.8 | 5.56 | 5.52 | 5.41 |
| Paper & Allied Products | 536.80 | 524.50 | 504.11 | 40.0 | 39.2 | 39.6 | 13.42 | 13.38 | 12.73 |
| Printing & Publishing | 407.76 | 398.11 | 394.36 | 35.8 | 35.2 | 35.4 | 11.39 | 11.31 | 11.14 |
| Construction 4/ | 471.16 | 526.26 | 530.02 | 31.9 | 35.8 | 32.9 | 14.77 | 14.70 | 16.11 |
| Communications & Utilities 5/ | 485.58 | 478.92 | 449.99 | 39.9 | 39.0 | 39.3 | 12.17 | 12.28 | 11.45 |
| Trade 5/ | 278.39 | 283.71 | 271.91 | 33.5 | 34.1 | 33.2 | 8.31 | 8.32 | 8.19 |
| Wholesale Trade | 373.76 | 391.02 | 361.38 | 36.5 | 38.0 | 36.3 | 10.24 | 10.29 | 9.82 |
| Retail Trade | 232.32 | 232.81 | 224.73 | 32.0 | 32.2 | 31.3 | 7.26 | 7.23 | 7.18 |
| Banking & Insurance | 257.61 | 262.99 | 247.19 | | | | | | |
| State & Local Government | 320.84 | 322.16 | 304.15 | | | | | | |

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1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

for Lumber and Wood Products for the first 11 months reflects an average gain of 1.8 hours. The subpar performance in November is more indicative of weather conditions than an economic downturn.

Hourly earnings have, on the other hand, presented a mixed bag to date. Influencing factors include the addition of new lower paid production workers, negotiated reductions in wage rates, and overtime hours running about 60% above year ago levels. The first two serve to suppress hourly earnings, while premium pay for overtime provided a counter balance to the downward push on earnings. As an example of the opposing forces at work, with a 17% curtailment in Sawmill and Logging overtime hours, the neutralizing effect of overtime hours has diminished allowing the downward pressures to surface in the form of a $.06 decline in hourly earnings for November.

Demand in capital goods markets is gradually getting better, triggering production gains especially in Primary Metals. Orders for steel and equipment continue to push production schedules. Primary Metals weekly hours climbed .3, while adding nearly 200 more production workers. Benefits from increased housing activity have also provided a much needed boost to Furniture and Fixtures. Using an 11 month average for 1983, weekly hours for this industry stood at 35.4, the highest since 1976. Improving conditions for "high tech" related industries had Machinery hours 2.0 above year ago levels, with production worker employment also climbing 300 over the month.

As the food processing season winds up, weekly hours for the remaining workers in Canning and Preserving declined 3.2 for November. The increased proportion of higher paid workers also served to boost hourly earnings by $.45.

Elsewhere, increasing business activity has brought a greater demand for Paper and Allied Products and Printing and Publishing services. The consumption of paper follows closely the national economy. Demand for pulp, paper, and paperboard are expected to grow by 5% in 1984. This in turn will provide a favorable impact on Printing and Publishing. The relative changes in each of these industries is seldom as dramatic as those found elsewhere in Oregon's economy, and so their significance is often underestimated. To illustrate the significance of the paper sector a comparison of economic impact can be accomplished by multiplying weekly earnings by the corresponding count of production workers. By this measure Paper and Allied Products ranks third in manufacturing behind only Logging and Sawmills, and Veneer and Plywood Products. Add to this Printing and Publishing, and even minor fluctuations must be considered significant.

Construction activity took it on the chin for November as adverse weather slowed outside work to a near standstill. Weekly hours for all Construction fell by 3.9, while Heavy Construction, dropped nearly 6.0 hours. Weather was also a factor in the .9 jump in average weekly hours for Communications and Utilities as repair crews were kept busy maintaining service lines.

Consumer spending has given Trade a much needed boost, with pluses most noticeable in rising nonsupervisory employment. The wait and see posture of consumers during the last two years is giving way to the pent up demands for products. Longer work weeks are also apparent. During each of the previous two years, weekly hours for Retail Trade fell .9 from October to November, while the comparable change for 1983 was a modest .2 decline. Though cautious employers are not going overboard in their hiring for the holidays, 1983 has again bested the previous two years by a substantial margin.

Consumer activity and the economy in general has not yet reached what may be considered normal patterns for the first year of recovery. The economy "normally" would be expected to expand faster than it has, but it is hard to fault the direction so far.□

**OREGON LABOR TRENDS**

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U.S.MAIL

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449

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CONGRESSIONAL INFORMATION SVCS SRI
ROBERTA B MASON
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

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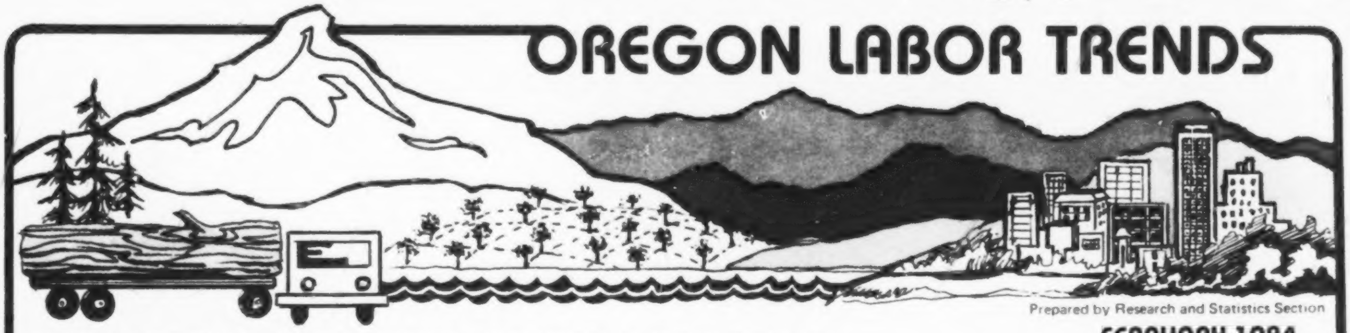


# OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

FEBRUARY 1984

## JANUARY INDICATORS

### UNEMPLOYMENT RATE

| *Oregon* | S.A. | Raw |
|---|---|---|
| Jan. '84 | 9.9 | 12.0 |
| Dec. '83 | 10.6 | 11.1 |
| *U.S.* | | |
| Jan. '84 | 8.0 | 8.8 |
| Dec. '83 | 8.2 | 8.0 |

### WAGE AND SALARY EMPLOYMENT INDEX

| *Oregon* | 1977=100 |
|---|---|
| Jan. 1984: | 105.5 |
| Dec. 1983: | 103.6 |
| Jan. 1983: | 101.4 |
| Jan. 1982: | 104.1 |
| Jan. 1981: | 111.5 |
| Jan. 1980: | 113.7 |

### DIFFUSION INDEX

| *Oregon* | |
|---|---|
| Jan. 1984: | 59.7 |
| Dec. 1983: | 57.8 |
| Nov. 1983: | 59.3 |
| Oct. 1983: | 59.3 |
| Sep. 1983: | 52.7 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| *Oregon* | |
|---|---|
| Dec. 1983: | 39.4 |
| Nov. 1983: | 38.9 |
| Dec. 1982: | 37.9 |

### CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

| *Portland SMSA* | |
|---|---|
| Jan. 1984 | 295.1 |
| Year Change | + 3.0 |
| *U.S.* | |
| Jan. 1984 | 305.2 |
| Year Change | + 4.1 |
| Portland Hotline | 221-4132 |

## JANUARY'S REPORT: OPTIMISM

*Kelly Freels*

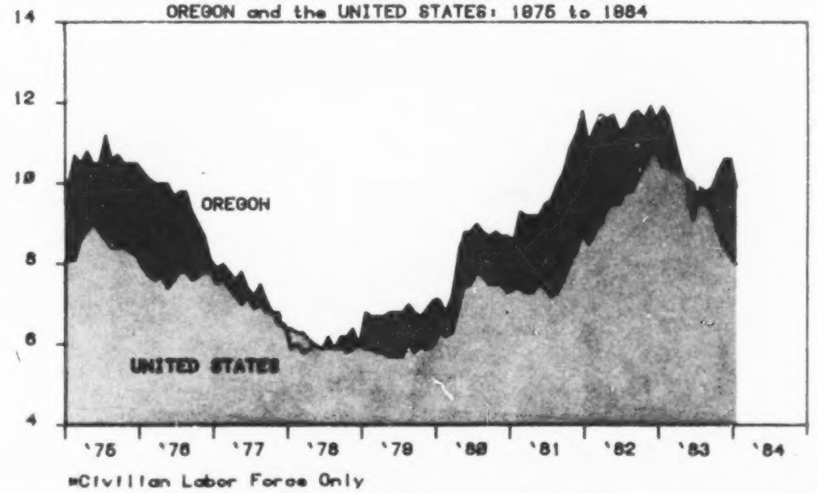
Oregon entered this Presidential election year on a strong economic note for three employment related indicators - seasonally adjusted unemployment rate, Nonfarm Wage and Salary Index, Diffusion Index - all moving in a positive direction. Not only do these indicators represent strength in January's economy, but they also point to future prosperity.

Unlike 1983 where gains in Lumber and Wood Products employment provided the primary economic push, 1984 will see a broader group of manufacturing sectors sharing in the economic expansion. This will be especially true for Oregon's capital goods producing industries which should gain momentum with a maturing consumer-led nationwide economic recovery.

Typically, a consumer-led recovery such as this will force industries to increase production capacity as expected demand surpasses plant capacity. To meet the expected needs, production facilities will need to modernize or expand. In either instance a capital goods purchase is necessary. As the recovery matures, a broader range of industries will purchase capital equipment either to expand capacity or to lower product cost - and ultimately to maintain or expand market share.

Employment growth in Oregon's nonfarm industries did nearly as well as the nation in 1983. In total, Oregon nonfarm employment grew near 3.0% just slightly below the 3.4% growth rate nationwide. Considering the narrow industrial base from

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1984



*Civilian Labor Force Only

## RESIDENT OREGON LABOR FORCE

| | 1/ Jan. 1984 | 2/ Dec. 1983 | Change | % Change | 5/ Jan. 1983 |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,300,600 | 1,314,300 | -13,700 | -1.0 | 1,310,000 |
| Unemployment | 155,600 | 146,500 | + 9,100 | +6.2 | 180,500 |
| Percent of Labor Force | 12.0 | 11.1 | xxx | xxx | 13.8 |
| Seasonally Adjusted Percent | 9.9 | 10.6 | xxx | xxx | 12.1 |
| Total Employment 4/ | 1,145,000 | 1,167,800 | -22,800 | -2.0 | 1,129,500 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | 1/ Jan. 1984 | 2/ Dec. 1983 | Jan. 1983 | Change From Dec. 1983 | Change From Jan. 1983 |
|---|---|---|---|---|---|
| TOTAL 3/ | 966,200 | 976,400 | 929,700 | -10,200 | 36,500 |
| Wage & Salary Employment Index 4/ | 105.5 | 103.6 | 101.4 | xxx | xxx |
| Diffusion Index 5/ | 59.7 | 57.8 | 44.2 | xxx | xxx |
| Total Manufacturing | 186,900 | 186,300 | 176,300 | 600 | 10,600 |
| Durable Goods | 136,700 | 135,600 | 126,300 | 1,100 | 10,400 |
| Lumber & Wood Products | 63,100 | 63,200 | 54,700 | - 100 | 8,400 |
| Logging & Sawmills | 31,900 | 31,900 | 28,200 | 0 | 3,700 |
| Veneer & Plywood | 17,400 | 17,400 | 16,600 | 0 | 800 |
| Millwork & Structural Wood | 8,400 | 8,400 | 5,700 | 0 | 2,700 |
| Mobile Homes | 1,600 | 1,700 | 1,200 | - 100 | 400 |
| Other Wood Products | 3,800 | 3,800 | 3,000 | 0 | 800 |
| Furniture & Fixtures | 2,300 | 2,200 | 2,200 | 100 | 100 |
| Stone, Clay, Glass, & Concrete | 2,800 | 2,900 | 2,800 | - 100 | 0 |
| Primary Metals | 8,200 | 8,000 | 7,000 | 200 | 1,200 |
| Blast Furnaces, Iron & Steel | 4,300 | 4,100 | 3,900 | 200 | 400 |
| Nonferrous Metals | 3,900 | 3,900 | 3,100 | 0 | 800 |
| Fabricated Metals | 9,300 | 9,300 | 9,000 | 0 | 300 |
| Fabricated Structural Metals | 4,000 | 4,000 | 3,700 | 0 | 300 |
| Other Fabricated Metals | 5,300 | 5,300 | 5,300 | 0 | 0 |
| Machinery | 15,200 | 15,000 | 15,000 | 200 | 200 |
| Electrical Equipment & Supplies | 11,400 | 11,300 | 10,000 | 100 | 1,400 |
| Transportation Equipment | 7,500 | 7,000 | 7,400 | 500 | 100 |
| Instruments & Related Products | 14,500 | 14,300 | 16,100 | 200 | - 1,600 |
| Miscellaneous Manufacturing | 2,400 | 2,400 | 2,100 | 0 | 300 |
| Nondurable Goods | 50,200 | 50,700 | 50,000 | - 500 | 200 |
| Food & Kindred Products | 20,000 | 20,400 | 20,800 | - 400 | - 800 |
| Canning & Preserving | 10,200 | 10,300 | 10,800 | - 100 | - 600 |
| Other Food Products | 9,800 | 10,100 | 10,000 | - 300 | - 200 |
| Textile Mill Products | 1,800 | 1,800 | 1,800 | 0 | 0 |
| Apparel | 2,600 | 2,600 | 2,500 | 0 | 100 |
| Paper & Allied Products | 9,400 | 9,500 | 9,500 | - 100 | - 100 |
| Printing & Publishing | 10,600 | 10,600 | 10,300 | 0 | 300 |
| Chemicals & Allied Products | 2,200 | 2,200 | 2,000 | 0 | 200 |
| Petroleum Refining | 500 | 500 | 500 | 0 | 0 |
| Rubber & Plastic Products | 2,600 | 2,600 | 2,200 | 0 | 400 |
| Leather Products | 500 | 500 | 400 | 0 | 100 |

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | Jan. 1984 | Dec. 1983 | Jan. 1983 | Change From Dec. 1983 | Change From Jan. 1983 |
|---|---|---|---|---|---|
| (cont.) | | | | | |
| Total Nonmanufacturing | 779,300 | 790,100 | 753,400 | -10,800 | 25,900 |
| Mining & Quarrying | 1,500 | 1,600 | 1,300 | - 100 | 200 |
| Construction | 24,800 | 25,500 | 23,000 | - 700 | 1,800 |
| Transportation, Communications, & Utilities | 54,500 | 55,500 | 54,200 | - 1,000 | 300 |
| Transportation | 31,200 | 32,200 | 30,200 | - 1,000 | 1,000 |
| Railroad | 4,900 | 5,100 | 5,300 | - 200 | - 400 |
| Trucking & Warehousing | 16,100 | 17,100 | 15,100 | - 1,000 | 1,000 |
| Other Transportation | 10,200 | 10,000 | 9,800 | 200 | 400 |
| Communications | 14,900 | 14,900 | 15,300 | 0 | - 400 |
| Utilities | 8,400 | 8,400 | 8,700 | 0 | - 300 |
| Trade | 246,000 | 252,400 | 230,300 | - 6,400 | 15,700 |
| Wholesale Trade | 62,500 | 62,900 | 60,100 | - 400 | 2,400 |
| Durable Goods | 36,700 | 36,900 | 35,400 | - 200 | 1,300 |
| Nondurable Goods | 25,800 | 26,000 | 24,700 | - 200 | 1,100 |
| Retail Trade | 183,500 | 189,500 | 170,200 | - 6,000 | 13,300 |
| General Merchandise | 25,900 | 27,800 | 23,900 | - 1,900 | 2,000 |
| Food Stores | 28,500 | 28,700 | 25,900 | - 200 | 2,600 |
| Auto Dealers & Service Stations | 22,600 | 22,900 | 20,400 | - 300 | 2,200 |
| Other Retail Trade | 106,500 | 110,100 | 100,000 | - 3,600 | 6,500 |
| Finance, Insurance, & Real Estate | 65,100 | 65,500 | 62,600 | - 400 | 2,500 |
| Banking & Credit Agencies | 23,500 | 23,600 | 23,400 | - 100 | 100 |
| Other Finance, Insurance, & Real Estate | 41,600 | 41,900 | 39,200 | - 300 | 2,400 |
| Services | 191,400 | 193,700 | 187,100 | - 2,300 | 4,300 |
| Hotels & Personal Services | 22,100 | 22,300 | 22,100 | - 200 | 0 |
| Health Services | 66,200 | 66,600 | 65,200 | - 400 | 1,000 |
| Other Services | 103,100 | 104,800 | 99,800 | - 1,700 | 3,300 |
| Government | 196,000 | 195,900 | 194,900 | 100 | 1,100 |
| Federal Government | 28,800 | 29,200 | 28,100 | - 400 | 700 |
| State Government | 52,000 | 51,800 | 51,700 | 200 | 300 |
| Education | 22,600 | 22,700 | 22,500 | - 100 | 100 |
| Other State | 29,400 | 29,100 | 29,200 | 300 | 200 |
| Local Government | 115,200 | 114,900 | 115,100 | 300 | 100 |
| Education | 74,300 | 74,000 | 73,500 | 300 | 800 |
| Other Local | 40,900 | 40,900 | 41,600 | 0 | - 700 |
| Labor-Management Disputes | 900 | 900 | 0 | 0 | 900 |

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

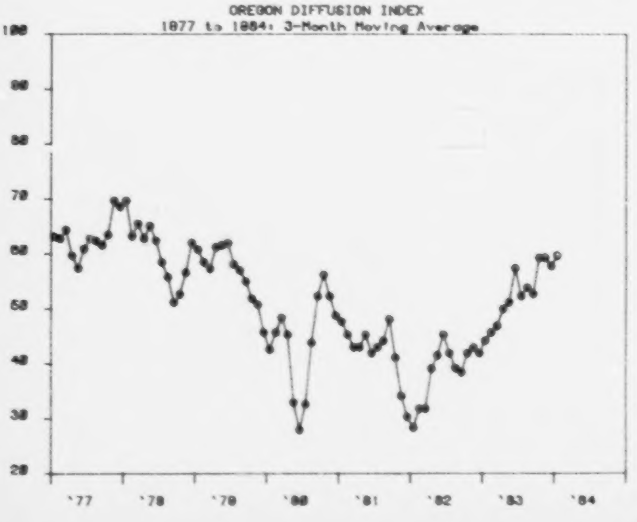
which this growth occurred, Oregon'seconomy did surprisingly well. Manufacturing industries did account for a positive growth rate statewide (4.7%), however Manufacturing industries nationwide grew faster (5.9%). Nonmanufacturing employment gained nearly the same for the state (2.6%) and the nation (2.7%). Obviously Oregon consumers joined their counterparts nationwide in spurring the recovery along.

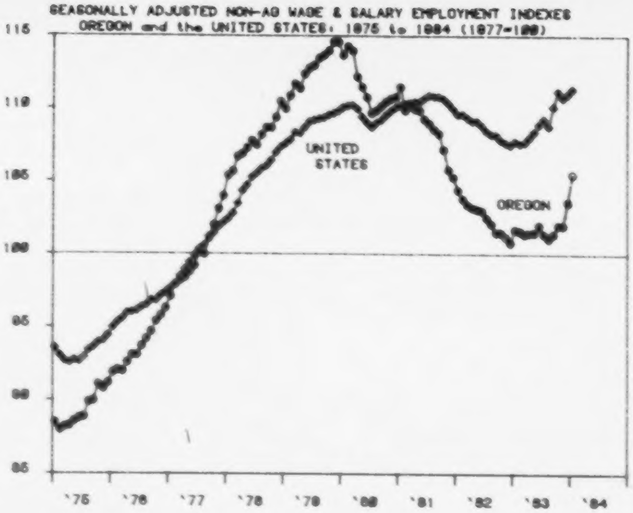
One industrial change within Nonmanufacturing employment was especially noteworthy. Construction employment nationwide rose 7.7% - a very healthy gain. Oregon's construction activity, however, remained depressed. Employment dropped another 0.8% in 1983. Because of continued high interest rates recovery in this industry will lag the rebound expected for most other segments of Oregon's economy.

Oregon's unemployment rate, seasonally adjusted, dropped below double digits in January, to 9.9%. Although the actual number of unemployed workers moved up 9,100 to 155,600 in January, the increase was well below the rise expected, and was nearly 25,000 workers beneath January 1983's figure. The total employment loss (-22,800) far outweighed the gain in total unemployment (+9,100), thus Oregon's January labor force moved downward to 1,300,600.

Following the total employment trends, nonfarm wage and salary employment dropped over 10,000 jobs in January. But compared to historical January job losses, January 1984's worker loss has to be considered a favorable sign. For instance, past January job losses were -27,000, -37,400, -22,000 and -35,400 for 1979 through 1982, respectively. The Nonfarm Wage and Salary Employment Index - a coincidental indicator - reflected this modest loss by rising almost two full points to 105.5 (or 5.5% above 1977's average employment level).

Oregon's indicator of leading economic activity, the Diffusion Index, also rose nearly two full points in January reaching 59.7. This indicator of future economic change has generally trended upward since January 1982 - almost one year before the recession officially ended.


OREGON DIFFUSION INDEX
1977 to 1984: 3-Month Moving Average


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
OREGON and the UNITED STATES: 1975 to 1984 (1977=100)

Employment totals in several nonfarm industries provided additional evidence of the economic recovery underway in Oregon. Of the over 10,000 worker reduction in January's total nonfarm employment, virtually all resulted from declines in nonmanufacturing industries. Manufacturing industries actually gained 600 workers.

Stability characterized the state's lumber and wood products industry. Declining product demand coupled with adverse winter weather usually brings this industry's employment to a seasonal low in January. However, January 1984 was different. The 100 worker job loss was far below the seasonally expected 2,000 job loss. January 1984's performance follows several months of positive seasonally adjusted gains. Much of this industry's strength is tied to product lines not as interest sensitive as residential housing such as non-residential/industrial construction and repair/remodeling activities. A weakness in Lumber and Wood products employment is Veneer and Plywood. It's reliance on the residential housing market is keeping production levels conservative.

A maturing recovery nationwide was evident in the rest of Durable Goods manufacturing employment. January's 1,200 employee gain reinforced the slightly upward trend exhibited by these industries in earlier months. Of equal importance was the widespread nature of this gain. Only transportation equipment stood out with a 500 worker job gain. Most Durable Goods industries registered small gains of up to 200 workers. Transportation equipment benefited from several large ship repair contracts, while the other gains reflected steady increases in product or service demand. The highly seasonal Food and Kindred Products industry registered a 400 worker drop in January. However, this loss was minor compared to expected losses (-1,500) that usually beset this industry in January. In part, the strength in Food and Kindred Products is tied to increased potato processing due to a new marketing approach by one fast-food chain.

Stability in the remaining Nondurable Goods manufacturing industries was carried through the last part of 1983 and into January 1984. Historically these industries do not experience the

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1983 Benchmark
March 1984 (Rev.)

## OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1983 1/

| | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CIVILIAN LABOR FORCE | | | | | | | | | | | | | |
| UNEMPLOYMENT | | | | | | | | | | | | | |
| Percent of Labor Force 2/ | | | | | | | | | | | | | |
| TOTAL EMPLOYMENT | | | | | | | | | | | | | |

(Resident data to be published next month)

## OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1983 3/ **

| | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL WAGE AND SALARY | 963.6 | 929.7 | 931.9 | 940.1 | 952.6 | 963.6 | 988.9 | 963.1 | 965.4 | 984.2 | 989.0 | 982.4 | 976.4 |
| Wage & Salary Empl. Index (1977=100) 4/ | 102.9 | 101.4 | 101.4 | 101.6 | 102.4 | 102.8 | 104.1 | 103.2 | 103.0 | 103.2 | 103.9 | 103.9 | 103.6 |
| MANUFACTURING, TOTAL | 187.0 | 176.3 | 176.1 | 178.1 | 179.5 | 182.2 | 192.8 | 191.7 | 197.0 | 198.6 | 195.5 | 189.4 | 186.3 |
| Durable Goods | 133.7 | 126.3 | 126.6 | 128.2 | 129.8 | 131.8 | 137.2 | 138.0 | 138.4 | 138.2 | 137.2 | 136.5 | 135.6 |
| Lumber & Wood Products | 62.0 | 54.7 | 56.0 | 57.2 | 58.8 | 60.9 | 65.1 | 65.8 | 66.7 | 66.3 | 65.5 | 63.9 | 63.2 |
| Logging & Sawmills | 32.1 | 28.2 | 29.3 | 29.9 | 30.2 | 31.6 | 34.3 | 34.4 | 34.8 | 34.5 | 33.5 | 32.5 | 31.9 |
| Veneer & Plywood | 17.5 | 16.6 | 16.7 | 16.9 | 17.3 | 17.3 | 17.8 | 18.3 | 18.3 | 18.0 | 18.0 | 17.6 | 17.4 |
| Millwork & Structural Wood | 7.4 | 5.7 | 5.8 | 6.0 | 6.7 | 7.1 | 7.7 | 7.9 | 8.1 | 8.3 | 8.3 | 8.3 | 8.4 |
| Mobile Homes | 1.5 | 1.2 | 1.1 | 1.3 | 1.4 | 1.5 | 1.6 | 1.5 | 1.7 | 1.7 | 1.8 | 1.7 | 1.7 |
| Other Wood Products | 3.5 | 3.0 | 3.1 | 3.1 | 3.2 | 3.4 | 3.7 | 3.7 | 3.8 | 3.8 | 3.9 | 3.8 | 3.8 |
| Furniture & Fixtures | 2.3 | 2.2 | 2.2 | 2.3 | 2.4 | 2.4 | 2.4 | 2.5 | 2.5 | 2.4 | 2.3 | 2.3 | 2.2 |
| Stone, Clay, Glass & Concrete Prod. | 3.1 | 2.8 | 2.7 | 2.8 | 2.9 | 3.0 | 3.2 | 3.3 | 3.3 | 3.4 | 3.3 | 3.1 | 2.9 |
| Primary Metals | 7.4 | 7.0 | 7.1 | 7.2 | 7.2 | 7.3 | 7.4 | 7.5 | 7.8 | 7.4 | 7.6 | 7.8 | 8.0 |
| Blast Furnaces, Iron & Steel Found. | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 4.0 | 4.1 | 3.7 | 3.8 | 3.9 | 4.1 |
| Nonferrous Metals | 3.5 | 3.1 | 3.2 | 3.3 | 3.3 | 3.4 | 3.5 | 3.5 | 3.7 | 3.7 | 3.8 | 3.9 | 3.9 |
| Fabricated Metals | 9.3 | 9.0 | 8.8 | 8.7 | 8.7 | 8.9 | 9.4 | 9.6 | 9.7 | 9.9 | 9.7 | 9.6 | 9.3 |
| Fabricated Structural Metals | 4.1 | 3.7 | 3.7 | 3.7 | 3.7 | 3.9 | 4.2 | 4.4 | 4.4 | 4.5 | 4.3 | 4.2 | 4.0 |
| Other Fabricated Metals | 5.2 | 5.3 | 5.1 | 5.0 | 5.0 | 5.0 | 5.2 | 5.2 | 5.3 | 5.4 | 5.4 | 5.4 | 5.3 |
| Machinery | 15.0 | 15.0 | 15.0 | 15.0 | 15.1 | 14.9 | 15.1 | 15.0 | 15.0 | 14.9 | 14.9 | 15.0 | 15.0 |
| Electrical Equipment & Supplies | 10.5 | 10.0 | 9.8 | 9.9 | 10.2 | 10.3 | 10.4 | 10.4 | 10.7 | 10.9 | 10.9 | 11.1 | 11.3 |
| Transportation Equipment | 7.0 | 7.4 | 7.0 | 7.4 | 7.1 | 7.0 | 7.3 | 7.1 | 6.1 | 6.4 | 6.5 | 7.1 | 7.0 |
| Instruments & Related Products | 14.8 | 16.1 | 15.8 | 15.5 | 15.2 | 14.9 | 14.6 | 14.4 | 14.2 | 14.2 | 14.2 | 14.2 | 14.3 |
| Miscellaneous Manufacturing | 2.3 | 2.1 | 2.2 | 2.2 | 2.2 | 2.2 | 2.3 | 2.4 | 2.4 | 2.4 | 2.3 | 2.4 | 2.4 |
| Nondurable Goods | 53.3 | 50.0 | 49.5 | 49.9 | 49.7 | 50.4 | 55.6 | 53.7 | 58.6 | 60.4 | 58.3 | 52.9 | 50.7 |
| Food & Kindred Products | 23.8 | 20.8 | 20.5 | 20.9 | 20.9 | 21.1 | 26.1 | 24.3 | 28.9 | 30.6 | 28.6 | 23.0 | 20.4 |
| Canning and Preserving | 13.8 | 10.8 | 10.7 | 11.4 | 11.3 | 11.4 | 16.1 | 14.2 | 19.0 | 20.3 | 18.1 | 12.5 | 10.3 |
| Other Food Products | 10.0 | 10.0 | 9.8 | 9.5 | 9.6 | 9.7 | 10.0 | 10.1 | 9.9 | 10.3 | 10.5 | 10.5 | 10.1 |
| Textile Mill Products | 1.7 | 1.8 | 1.7 | 1.7 | 1.6 | 1.6 | 1.6 | 1.4 | 1.6 | 1.7 | 1.7 | 1.7 | 1.8 |
| Apparel | 2.5 | 2.5 | 2.5 | 2.6 | 2.5 | 2.5 | 2.5 | 2.2 | 2.4 | 2.5 | 2.5 | 2.5 | 2.6 |
| Paper & Allied Products | 9.3 | 9.5 | 9.3 | 9.3 | 9.2 | 9.2 | 9.4 | 9.5 | 9.5 | 9.2 | 9.1 | 9.3 | 9.5 |
| Printing & Publishing | 10.4 | 10.3 | 10.3 | 10.2 | 10.1 | 10.3 | 10.2 | 10.4 | 10.4 | 10.5 | 10.5 | 10.6 | 10.6 |
| Chemicals & Allied Products | 2.1 | 2.0 | 2.0 | 2.0 | 2.1 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| Petroleum Refining | 0.5 | .5 | .5 | .5 | .5 | .5 | .5 | .6 | .5 | .6 | .6 | .5 | .5 |
| Rubber & Plastic Products | 2.5 | 2.2 | 2.3 | 2.3 | 2.4 | 2.5 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| Leather Products | 0.5 | .4 | .4 | .4 | .4 | .5 | .5 | .5 | .5 | .5 | .5 | .5 | .5 |

|  | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NONMANUFACTURING, TOTAL | 776.6 | 753.4 | 755.8 | 762.0 | 773.1 | 781.4 | 796.1 | 771.4 | 768.4 | 785.6 | 793.5 | 793.0 | 790.1 |
| Mining & Quarrying | 1.6 | 1.3 | 1.4 | 1.4 | 1.4 | 1.6 | 1.8 | 1.8 | 1.9 | 1.8 | 1.8 | 1.5 | 1.6 |
| Construction | 26.4 | 23.0 | 22.3 | 22.3 | 23.9 | 25.3 | 27.6 | 28.8 | 29.9 | 30.6 | 30.1 | 27.9 | 25.5 |
| Transp., Comm. & Utilities | 54.9 | 54.2 | 54.4 | 54.6 | 54.7 | 55.1 | 55.9 | 56.1 | 50.7 | 56.5 | 56.0 | 55.7 | 55.5 |
| Transportation | 31.7 | 30.2 | 30.4 | 30.6 | 30.8 | 31.2 | 31.9 | 32.3 | 32.4 | 33.1 | 32.7 | 32.4 | 32.2 |
| Railroad | 5.3 | 5.3 | 5.3 | 5.3 | 5.4 | 5.4 | 5.4 | 5.4 | 5.3 | 5.4 | 5.2 | 5.2 | 5.1 |
| Trucking & Warehousing | 16.5 | 15.1 | 15.3 | 15.4 | 15.6 | 16.1 | 16.7 | 17.3 | 17.5 | 17.5 | 17.3 | 17.3 | 17.1 |
| Other Transportation | 9.9 | 9.8 | 9.8 | 9.9 | 9.8 | 9.7 | 9.8 | 9.6 | 9.6 | 10.2 | 10.2 | 9.9 | 10.0 |
| Communications | 14.6 | 15.3 | 15.3 | 15.2 | 15.1 | 15.1 | 15.2 | 15.1 | 9.7 | 14.9 | 14.9 | 14.9 | 14.9 |
| Utilities | 8.6 | 8.7 | 8.7 | 8.8 | 8.8 | 8.8 | 8.8 | 8.7 | 8.6 | 8.5 | 8.4 | 8.4 | 8.4 |
| Trade | 242.2 | 230.3 | 228.8 | 231.6 | 236.3 | 240.2 | 246.3 | 246.4 | 247.6 | 249.6 | 247.9 | 250.8 | 252.4 |
| Wholesale Trade | 62.0 | 60.1 | 60.1 | 60.7 | 60.7 | 61.4 | 62.5 | 62.5 | 62.9 | 63.7 | 63.5 | 63.6 | 62.9 |
| Durable Goods | 36.5 | 35.4 | 35.4 | 35.7 | 36.1 | 36.5 | 37.0 | 37.0 | 36.9 | 37.2 | 37.1 | 37.1 | 36.9 |
| Nondurable Goods | 25.5 | 24.7 | 24.7 | 25.0 | 24.6 | 24.9 | 25.5 | 25.5 | 26.0 | 26.5 | 26.4 | 26.5 | 26.0 |
| Retail Trade | 180.2 | 170.2 | 168.7 | 170.9 | 175.6 | 178.8 | 183.8 | 183.9 | 184.7 | 185.9 | 184.4 | 187.2 | 189.5 |
| General Merchandise | 24.0 | 23.9 | 23.1 | 22.6 | 22.9 | 22.8 | 23.3 | 23.6 | 23.8 | 23.9 | 24.3 | 26.4 | 27.8 |
| Food Stores | 27.6 | 25.9 | 25.7 | 25.8 | 27.2 | 27.6 | 28.3 | 28.8 | 28.6 | 28.2 | 28.3 | 28.6 | 28.7 |
| Auto Dealers & Services Stations | 22.1 | 20.4 | 20.5 | 20.8 | 21.3 | 21.8 | 22.4 | 22.7 | 23.0 | 23.1 | 23.1 | 23.1 | 22.9 |
| Other Retail Trade | 106.5 | 100.0 | 99.4 | 101.7 | 104.2 | 106.6 | 109.8 | 108.8 | 109.3 | 110.7 | 108.7 | 109.1 | 110.1 |
| Finance Ins. & Real Estate | 64.7 | 62.6 | 62.6 | 63.3 | 64.1 | 64.4 | 65.5 | 66.2 | 66.1 | 66.0 | 65.4 | 65.5 | 65.5 |
| Banking & Credit Agencies | 23.4 | 23.4 | 23.3 | 23.4 | 23.3 | 23.2 | 23.4 | 23.5 | 23.6 | 23.6 | 23.4 | 23.5 | 23.6 |
| Other Finance Ins. & Real Estate | 41.3 | 39.2 | 39.3 | 39.9 | 40.8 | 41.2 | 42.1 | 42.7 | 42.5 | 42.4 | 42.0 | 42.0 | 41.9 |
| Services | 193.9 | 187.1 | 189.8 | 191.4 | 194.5 | 195.2 | 197.2 | 195.7 | 195.8 | 196.7 | 195.8 | 193.6 | 193.7 |
| Hotels & Personal Services | 23.1 | 22.1 | 22.0 | 22.5 | 23.5 | 23.4 | 23.9 | 24.1 | 23.8 | 23.5 | 23.2 | 22.6 | 22.3 |
| Health Services | 66.6 | 65.2 | 65.4 | 65.7 | 66.3 | 66.1 | 67.1 | 67.4 | 67.8 | 67.8 | 67.3 | 66.5 | 66.6 |
| Other Services | 104.2 | 99.8 | 102.4 | 103.2 | 104.7 | 105.7 | 106.2 | 104.2 | 104.2 | 105.4 | 105.3 | 104.5 | 104.8 |
| Government | 192.9 | 194.9 | 196.5 | 197.4 | 198.2 | 199.6 | 201.8 | 176.4 | 176.4 | 183.8 | 196.5 | 198.0 | 195.9 |
| Federal | 29.2 | 28.1 | 27.9 | 28.1 | 28.3 | 29.1 | 30.3 | 30.5 | 30.3 | 30.2 | 29.7 | 29.1 | 29.2 |
| State Government | 51.9 | 51.7 | 52.2 | 52.1 | 52.6 | 52.7 | 54.1 | 49.2 | 49.5 | 49.5 | 53.7 | 53.1 | 51.8 |
| Education | 21.5 | 22.5 | 22.9 | 22.8 | 22.6 | 22.6 | 22.4 | 17.7 | 17.4 | 17.7 | 23.0 | 23.2 | 22.7 |
| Other State | 30.4 | 29.2 | 29.3 | 29.3 | 30.0 | 30.1 | 31.7 | 31.5 | 32.1 | 31.8 | 30.7 | 29.9 | 29.1 |
| Local Government | 111.8 | 115.1 | 116.4 | 117.2 | 117.3 | 117.8 | 117.4 | 96.7 | 96.6 | 104.7 | 113.1 | 115.8 | 114.9 |
| Education | 69.9 | 73.5 | 75.3 | 76.0 | 75.5 | 75.9 | 74.3 | 52.8 | 52.8 | 62.8 | 71.8 | 74.5 | 74.0 |
| Other Local | 41.9 | 41.6 | 41.1 | 41.2 | 41.8 | 41.9 | 43.1 | 43.9 | 43.8 | 41.9 | 41.3 | 41.3 | 40.9 |
| LABOR-MANAGEMENT DISPUTES | 1.3 | .0 | .0 | .2 | .2 | .5 | .7 | .7 | 6.9 | 2.5 | 1.4 | 1.4 | 1.4 |

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ This figure based on unrounded data.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1983 Benchmark
March 1984 (Rev.)

## OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1982 1/

| | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CIVILIAN LABOR FORCE | | | | | | | | | | | | | |
| UNEMPLOYMENT | | | | | | | | | | | | | |
| Percent of Labor Force 2/ | | | | | | | | | | | | | |
| TOTAL EMPLOYMENT | | | | | | | | | | | | | |

(Resident data to be published next month)

## OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1982 3/ **

| | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL WAGE AND SALARY | 961.5 | 956.9 | 954.0 | 957.2 | 960.5 | 967.1 | 978.6 | 957.6 | 957.1 | 972.0 | 966.1 | 958.2 | 948.3 |
| Wage & Salary Empl. Index (1977=100) 4/ | 102.6 | 104.4 | 103.7 | 103.4 | 103.2 | 103.2 | 103.0 | 102.6 | 102.1 | 102.0 | 101.5 | 101.3 | 100.6 |
| MANUFACTURING, TOTAL | 186.0 | 181.9 | 181.6 | 181.3 | 181.1 | 182.9 | 186.4 | 193.7 | 195.1 | 195.5 | 189.4 | 183.1 | 177.9 |
| Durable Goods | 132.8 | 131.9 | 131.9 | 132.1 | 131.9 | 133.1 | 134.6 | 136.2 | 135.9 | 136.2 | 132.2 | 130.0 | 127.6 |
| Lumber & Wood Products | 55.6 | 51.7 | 52.4 | 52.4 | 53.2 | 54.9 | 57.4 | 58.4 | 59.0 | 59.1 | 56.9 | 56.8 | 55.2 |
| Logging & Sawmills | 29.1 | 25.9 | 26.8 | 26.7 | 27.2 | 28.3 | 30.1 | 31.4 | 31.8 | 32.0 | 30.7 | 30.1 | 28.5 |
| Veneer & Plywood | 16.6 | 16.2 | 16.1 | 16.1 | 16.2 | 16.6 | 17.2 | 16.9 | 17.1 | 17.0 | 16.5 | 16.9 | 16.9 |
| Millwork & Structural Wood | 5.3 | 5.0 | 4.9 | 4.9 | 5.1 | 5.3 | 5.4 | 5.4 | 5.5 | 5.5 | 5.2 | 5.4 | 5.4 |
| Mobile Homes | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 | 1.3 | 1.3 | 1.2 | 1.2 | 1.2 | 1.2 |
| Other Wood Products | 3.3 | 3.3 | 3.2 | 3.3 | 3.3 | 3.3 | 3.4 | 3.4 | 3.3 | 3.4 | 3.3 | 3.2 | 3.2 |
| Furniture & Fixtures | 2.2 | 2.2 | 2.1 | 2.2 | 2.2 | 2.2 | 2.3 | 2.3 | 2.3 | 2.4 | 2.3 | 2.2 | 2.2 |
| Stone, Clay, Glass & Concrete Prod. | 3.4 | 3.1 | 3.1 | 3.2 | 3.3 | 3.5 | 3.6 | 3.6 | 3.6 | 3.7 | 3.6 | 3.3 | 2.8 |
| Primary Metals | 8.1 | 9.2 | 9.2 | 9.1 | 8.8 | 8.4 | 8.0 | 7.9 | 7.7 | 7.6 | 7.3 | 7.2 | 7.3 |
| Blast Furnaces, Iron & Steel Found. | 4.4 | 5.1 | 5.1 | 5.1 | 4.8 | 4.6 | 4.2 | 4.1 | 4.1 | 4.2 | 3.9 | 3.8 | 3.9 |
| Nonferrous Metals | 3.7 | 4.1 | 4.1 | 4.0 | 4.0 | 3.8 | 3.8 | 3.8 | 3.6 | 3.4 | 3.4 | 3.4 | 3.4 |
| Fabricated Metals | 9.8 | 10.4 | 10.0 | 10.0 | 9.6 | 9.4 | 9.5 | 9.6 | 9.7 | 9.9 | 9.9 | 9.7 | 9.2 |
| Fabricated Structural Metals | 3.8 | 4.1 | 3.8 | 3.8 | 3.6 | 3.5 | 3.7 | 3.8 | 3.8 | 3.9 | 3.8 | 3.7 | 3.7 |
| Other Fabricated Metals | 6.0 | 6.3 | 6.2 | 6.2 | 6.0 | 5.9 | 5.8 | 5.8 | 5.9 | 6.0 | 6.1 | 6.0 | 5.5 |
| Machinery | 16.5 | 17.4 | 17.2 | 17.3 | 17.2 | 16.9 | 16.9 | 16.6 | 16.5 | 16.1 | 15.6 | 15.3 | 15.1 |
| Electrical Equipment & Supplies | 10.1 | 10.0 | 10.0 | 10.0 | 10.1 | 10.1 | 10.1 | 10.4 | 10.3 | 10.2 | 10.0 | 9.9 | 9.8 |
| Transportation Equipment | 7.9 | 8.1 | 8.1 | 8.1 | 8.0 | 8.4 | 7.5 | 8.0 | 7.4 | 8.0 | 7.8 | 7.2 | 7.8 |
| Instruments & Related Products | 16.8 | 17.2 | 17.3 | 17.3 | 17.0 | 16.9 | 16.9 | 17.0 | 17.0 | 16.8 | 16.5 | 16.1 | 16.0 |
| Miscellaneous Manufacturing | 2.4 | 2.6 | 2.5 | 2.5 | 2.5 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.3 | 2.3 | 2.2 |
| Nondurable Goods | 53.2 | 50.0 | 49.7 | 49.2 | 49.2 | 49.8 | 51.8 | 57.5 | 59.2 | 59.3 | 57.2 | 53.1 | 50.3 |
| Food & Kindred Products | 23.7 | 20.3 | 20.5 | 19.7 | 19.7 | 20.2 | 21.8 | 27.7 | 29.7 | 30.0 | 28.6 | 24.4 | 21.7 |
| Canning and Preserving | 13.5 | 10.1 | 10.5 | 9.8 | 9.9 | 10.1 | 11.5 | 17.3 | 19.3 | 19.6 | 18.0 | 13.8 | 11.6 |
| Other Food Products | 10.2 | 10.2 | 10.0 | 9.9 | 9.8 | 10.1 | 10.3 | 10.4 | 10.4 | 10.4 | 10.6 | 10.6 | 10.1 |
| Textile Mill Products | 1.9 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| Apparel | 2.7 | 2.7 | 2.6 | 2.6 | 2.7 | 2.8 | 2.8 | 2.7 | 2.7 | 2.7 | 2.5 | 2.6 | 2.6 |
| Paper & Allied Products | 9.6 | 10.0 | 9.8 | 9.8 | 9.7 | 9.7 | 9.9 | 9.9 | 9.6 | 9.5 | 9.3 | 9.2 | 9.2 |
| Printing & Publishing | 10.1 | 10.1 | 10.0 | 10.1 | 10.1 | 10.0 | 10.1 | 10.1 | 10.1 | 10.1 | 10.0 | 10.0 | 9.9 |
| Chemicals & Allied Products | 2.1 | 2.1 | 2.1 | 2.2 | 2.2 | 2.2 | 2.2 | 2.1 | 2.1 | 2.0 | 2.0 | 2.0 | 2.0 |
| Petroleum Refining | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 |
| Rubber & Plastic Products | 2.3 | 2.2 | 2.2 | 2.3 | 2.3 | 2.4 | 2.4 | 2.3 | 2.3 | 2.3 | 2.1 | 2.1 | 2.2 |
| Leather Products | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |

| | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NONMANUFACTURING, TOTAL | 775.5 | 775.0 | 772.4 | 775.9 | 779.4 | 784.2 | 792.2 | 763.9 | 762.0 | 776.5 | 776.7 | 775.1 | 770.4 |
| Mining & Quarrying | 1.8 | 1.3 | 1.8 | 1.8 | 1.7 | 1.9 | 1.9 | 2.0 | 2.0 | 2.0 | 1.9 | 1.7 | 1.4 |
| Construction | 28.9 | 27.3 | 27.1 | 27.4 | 27.7 | 29.5 | 31.8 | 31.4 | 31.3 | 31.2 | 29.4 | 27.4 | 25.7 |
| Transp., Comm. & Utilities | 56.7 | 56.8 | 56.7 | 56.4 | 56.6 | 56.8 | 57.2 | 57.7 | 56.6 | 57.2 | 57.2 | 56.3 | 55.8 |
| Transportation | 31.9 | 31.6 | 31.4 | 31.3 | 31.5 | 31.8 | 32.2 | 32.9 | 31.8 | 32.5 | 32.7 | 31.9 | 31.5 |
| Railroad | 6.0 | 6.3 | 6.2 | 6.2 | 6.3 | 6.3 | 6.2 | 6.1 | 5.9 | 5.8 | 5.8 | 5.6 | 5.5 |
| Trucking & Warehousing | 16.0 | 15.2 | 15.1 | 15.2 | 15.2 | 15.6 | 16.2 | 17.3 | 16.5 | 16.6 | 16.9 | 16.3 | 16.2 |
| Other Transportation | 9.9 | 10.1 | 10.1 | 9.9 | 10.0 | 9.9 | 9.8 | 9.5 | 9.4 | 10.1 | 10.0 | 10.0 | 9.8 |
| Communications | 15.9 | 16.2 | 16.3 | 16.1 | 16.1 | 16.0 | 16.0 | 15.8 | 15.8 | 15.8 | 15.7 | 15.6 | 15.5 |
| Utilities | 8.9 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 8.9 | 8.8 | 8.8 | 8.8 |
| Trade | 238.8 | 238.1 | 234.0 | 235.0 | 235.5 | 237.7 | 240.6 | 239.9 | 240.6 | 242.7 | 238.7 | 239.8 | 242.3 |
| Wholesale Trade | 62.7 | 63.3 | 62.8 | 62.6 | 62.8 | 62.6 | 62.6 | 62.4 | 62.6 | 64.1 | 63.2 | 61.9 | 61.4 |
| Durable Goods | 37.3 | 38.4 | 38.1 | 37.9 | 37.8 | 37.7 | 37.4 | 37.2 | 36.8 | 36.6 | 36.7 | 36.4 | 36.2 |
| Nondurable Goods | 25.4 | 24.9 | 24.7 | 24.7 | 25.0 | 24.9 | 25.2 | 25.2 | 25.8 | 27.5 | 26.5 | 25.5 | 25.2 |
| Retail Trade | 176.1 | 174.8 | 171.2 | 172.4 | 172.7 | 175.1 | 178.0 | 177.5 | 178.0 | 178.6 | 175.5 | 177.9 | 180.9 |
| General Merchandise | 23.8 | 24.8 | 23.2 | 22.9 | 23.1 | 22.8 | 23.1 | 23.4 | 23.6 | 23.4 | 23.5 | 24.8 | 26.4 |
| Food Stores | 26.4 | 26.1 | 25.9 | 25.8 | 25.6 | 26.1 | 26.7 | 26.9 | 26.9 | 26.7 | 26.6 | 26.7 | 26.9 |
| Auto Dealers & Services Stations | 21.4 | 21.1 | 21.0 | 21.2 | 21.5 | 21.7 | 21.8 | 21.8 | 21.8 | 21.7 | 21.3 | 21.2 | 21.0 |
| Other Retail Trade | 104.5 | 102.8 | 101.1 | 102.5 | 102.5 | 104.5 | 106.4 | 105.4 | 105.7 | 106.8 | 104.1 | 105.2 | 106.6 |
| Finance Ins. & Real Estate | 65.1 | 65.3 | 64.8 | 65.2 | 65.7 | 65.6 | 65.8 | 65.8 | 65.6 | 65.5 | 63.9 | 63.5 | 63.3 |
| Banking & Credit Agencies | 23.9 | 24.4 | 24.3 | 24.2 | 24.2 | 24.0 | 23.9 | 23.9 | 23.7 | 23.6 | 23.4 | 23.3 | 23.3 |
| Other Finance Ins. & Real Estate | 41.2 | 40.9 | 40.5 | 41.0 | 41.5 | 41.6 | 41.9 | 41.9 | 41.9 | 41.9 | 40.5 | 40.2 | 40.0 |
| Services | 188.6 | 186.1 | 187.1 | 188.6 | 189.5 | 189.2 | 190.2 | 189.3 | 188.8 | 190.1 | 188.6 | 187.9 | 187.5 |
| Hotels & Personal Services | 23.3 | 22.8 | 23.0 | 23.2 | 23.4 | 23.3 | 23.5 | 23.8 | 23.9 | 24.1 | 23.4 | 22.6 | 22.3 |
| Health Services | 65.3 | 64.7 | 64.7 | 64.8 | 65.2 | 65.4 | 65.8 | 65.3 | 65.8 | 65.7 | 65.3 | 65.2 | 65.4 |
| Other Services | 100.0 | 98.6 | 99.4 | 100.6 | 100.9 | 100.5 | 100.9 | 100.2 | 99.1 | 100.3 | 99.9 | 100.1 | 99.8 |
| Government | 195.6 | 199.6 | 200.9 | 201.5 | 202.7 | 203.5 | 204.7 | 177.8 | 177.1 | 187.8 | 197.0 | 198.5 | 194.4 |
| Federal | 29.1 | 27.4 | 27.0 | 27.2 | 28.6 | 29.4 | 30.5 | 30.6 | 30.7 | 30.6 | 29.6 | 29.3 | 28.4 |
| State Government | 50.9 | 51.5 | 52.4 | 52.5 | 51.9 | 52.0 | 52.5 | 47.4 | 47.7 | 47.9 | 51.3 | 51.8 | 50.0 |
| Education | 21.5 | 22.5 | 22.9 | 23.1 | 22.6 | 22.6 | 22.6 | 18.0 | 17.6 | 18.0 | 22.6 | 22.8 | 22.2 |
| Other State | 29.4 | 29.0 | 29.5 | 29.4 | 29.3 | 29.4 | 29.9 | 29.4 | 30.1 | 29.9 | 28.7 | 29.0 | 27.8 |
| Local Government | 115.6 | 120.7 | 121.5 | 121.8 | 122.2 | 122.1 | 121.7 | 99.8 | 98.7 | 109.3 | 116.1 | 117.4 | 116.0 |
| Education | 70.9 | 76.7 | 77.2 | 77.4 | 77.5 | 77.1 | 75.4 | 53.8 | 52.6 | 64.0 | 72.4 | 73.9 | 73.1 |
| Other Local | 44.7 | 44.0 | 44.3 | 44.4 | 44.7 | 45.0 | 46.3 | 46.0 | 46.1 | 45.3 | 43.7 | 43.5 | 42.9 |
| LABOR-MANAGEMENT DISPUTES | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.3 | 0.5 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.0 |

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ This figure based on unrounded data.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

employment swings that characterize other manufacturing sectors. This is a spin-off of higher than average labor costs which has, in turn, prompted a higher degree of automation in many operations.

Oregon's Construction industry continued to suffer from a surplus of homes and a restricted number of buyers able to afford a home. Nevertheless, January's moderate weather did help Construction employment which declined a modest 700 rather than a more typical 3,200 job loss. Work in the heavy construction sectors; highways, streets, sewers continued to keep Oregon's construction industry afloat.

Employment in the transportation sector dropped by 1,000 as a post holiday layoff affected one large delivery firm in the industry. The decline was softened somewhat by the return to work of over 250 workers involved in a labor management dispute.

Post holiday sales, annual inventory work and a rising number of new establishments all bouyed Trade employment during January. The 6,400 employee drop in January translated into a seasonally adjusted 6,500 worker gain. Over the year, total trade rose by 15,700 employes.

An improving business climate kept service employment strong during January. The 2,300 worker loss actually was a small gain (+800) when seasonal factors were discounted. Strength in Other Services (i.e. Business, Recreation, Repair, Educational service) and Health Services kept employment losses above seasonal expectations. In all, service employment was 4,300 below last year's level, but remained sub par when measured against U.S. growth in the industry. Oregon's service employment grew 3.3% in 1983, while the nations growth reached 4.7%.

Total government employment registered a seasonally adjusted gain (+1,000) in January. Unexpected gains in the Federal and Local sectors offset the seasonally adjusted declines registered in State Government.

Oregon industries can expect further economic growth in 1984 as a strong national recovery coupled with election year stability provide the platform for a good structural base. The problems associated with strong consumer and business expansion at a time of record federal deficits may not be addressed until at least 1985.□

## RESIDENT OREGON LABOR FORCE AND UNEMPLOYMENT BY AREA

| | January 1984 | | | |
|---|---|---|---|---|
| | Civilian Labor Force | Total Employment | Unempl. | Rate |
| STATE OF OREGON | 1,300,600 | 1,145,000 | 155,600 | 12.0 |
| Eugene MSA 1/ | 129,000 | 113,100 | 15,900 | 12.3 |
| Medford MSA 2/ | 62,670 | 54,930 | 7,740 | 12.4 |
| Portland MSA 3/ | 646,200 | 580,800 | 65,400 | 10.1 |
| Salem MSA 4/ | 119,100 | 104,600 | 14,500 | 12.2 |
| Baker | 7,430 | 5,900 | 1,530 | 20.6 |
| Benton | 33,320 | 30,690 | 2,630 | 7.9 |
| Clatsop | 14,960 | 12,780 | 2,180 | 14.6 |
| Columbia | 15,560 | 14,110 | 1,450 | 9.3 |
| Coos | 27,570 | 22,890 | 4,680 | 17.0 |
| Crook | 5,680 | 4,880 | 800 | 14.1 |
| Curry | 7,070 | 5,890 | 1,180 | 16.7 |
| Deschutes | 32,100 | 27,590 | 4,510 | 14.0 |
| Douglas | 40,980 | 34,900 | 6,080 | 14.8 |
| Gilliam | 790 | 740 | 50 | 6.3 |
| Grant | 3,600 | 2,880 | 720 | 20.0 |
| Harney | 3,510 | 3,030 | 480 | 13.7 |
| Hood River | 8,320 | 6,980 | 1,340 | 16.1 |
| Jefferson | 5,450 | 4,620 | 830 | 15.2 |
| Josephine | 23,510 | 19,660 | 3,850 | 16.4 |
| Klamath | 26,560 | 23,250 | 3,310 | 12.5 |
| Lake | 3,490 | 2,920 | 570 | 16.3 |
| Lincoln | 18,490 | 16,060 | 2,430 | 13.1 |
| Linn | 40,120 | 32,910 | 7,210 | 18.0 |
| Malheur | 11,940 | 10,310 | 1,630 | 13.7 |
| Morrow | 4,510 | 4,010 | 500 | 11.1 |
| Tillamook | 9,360 | 7,800 | 1,560 | 16.7 |
| Umatilla | 28,730 | 24,230 | 4,500 | 15.7 |
| Union | 11,540 | 10,210 | 1,330 | 11.5 |
| Wallowa | 3,890 | 3,440 | 450 | 11.6 |
| Wasco-Sherman | 12,140 | 10,380 | 1,760 | 14.5 |
| Wheeler | 550 | 460 | 90 | 16.4 |
| Yamhill | 28,040 | 24,160 | 3,880 | 13.8 |

1/ Lane County
2/ Jackson County
3/ Clackamas, Multnomah, Washington, and Clark Counties
4/ Marion and Polk Counties

## THE EMPLOYER'S CORNER
## ALIEN EMPLOYMENT CERTIFICATION INFORMATION

D.C. Guyer

The Employment Division has three responsibilities in processing an application for alien employment certification.

- Determine the availability of U.S. workers who are willing and qualified to perform the job offered to the alien,
- Determine the prevailing wage for the job being offered by conducting a prevailing wage survey of employers in the area who employ workers in similar jobs, and
- Provide the best assistance possible in trying to fill the job with a qualified and willing U.S. worker. If no qualified U.S worker is available, the Employment Division assists the employer in preparing the request for alien employment certification. The Department of Labor in Seattle grants final approval.

All alien employment certification requests are processed through the Alien Employment Certification Specialist in Salem. Information and assistance on preparation of applications may be obtained by calling 378-3234 or toll-free, 1-800-237-3710, extension 8-3234.□

## HOURS & EARNINGS – MORE OVERTIME

*Earl Fairbanks*

Not since 1973 has December's average weekly manufacturing hours been greater than 39.4. A number of Durable Goods sectors led by Primary Metals (42.9) experienced average weekly hours in excess of 40.0.

There is general agreement that Oregon's economy is in a recovery stage, but disagreement as to its depth or projected length. Employers are caught between a rock and a hard place. More production may be called for but the hiring of new workers, their training, and their possible lay-off if the economic drive fizzles, is expensive. Also, employers generally are not eager to invest in heavy capital expenditures at this time. Many, therefore are taking the option of extending the hours of existing employees and absorbing the increased costs of overtime pay. This is why even after the multitude of frozen and cutback wages, and the introduction of new manufacturing firms paying lower wages, the earnings for last December compares favorably to four years ago (see the accompaning table).

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Dec.2/ 1983 | Nov.3/ 1983 | Dec. 1982 | Dec.2/ 1983 | Nov.3/ 1983 | Dec. 1982 | Dec.2/ 1983 | Nov.3/ 1983 | Dec. 1982 |
| TOTAL MANUFACTURING 4/ | $406.21 | $401.06 | $393.40 | 39.4 | 38.9 | 37.9 | 10.31 | 10.31 | 10.38 |
| Durable Goods | 415.27 | 415.26 | 408.00 | 40.2 | 39.7 | 38.6 | 10.33 | 10.46 | 10.57 |
| Lumber & Wood Products | 428.79 | 424.93 | 416.62 | 40.3 | 39.2 | 38.9 | 10.64 | 10.84 | 10.71 |
| Logging & Sawmills | 457.88 | 452.37 | 447.33 | 40.7 | 39.2 | 39.0 | 11.25 | 11.54 | 11.47 |
| Veneer & Plywood | 433.76 | 429.63 | 419.63 | 40.5 | 39.2 | 39.7 | 10.71 | 10.96 | 10.57 |
| Millwork & Struct Wood | 343.76 | 338.40 | 308.47 | 40.3 | 40.0 | 37.3 | 8.53 | 8.46 | 8.27 |
| Mobile Homes | 243.02 | 276.61 | 272.57 | 33.2 | 35.6 | 34.9 | 7.32 | 7.77 | 7.81 |
| Other Wood Products | 435.71 | 421.40 | 406.11 | 39.9 | 39.2 | 39.2 | 10.92 | 10.75 | 10.36 |
| Furniture & Fixtures | 263.93 | 264.19 | 232.98 | 34.5 | 34.9 | 33.0 | 7.65 | 7.57 | 7.06 |
| Primary Metals | 514.37 | 517.10 | 489.16 | 42.9 | 43.2 | 40.9 | 11.99 | 11.97 | 11.96 |
| Fabricated Metals | 388.73 | 382.14 | 409.36 | 40.2 | 39.6 | 41.1 | 9.67 | 9.65 | 9.96 |
| Machinery | 416.64 | 402.58 | 399.48 | 40.1 | 39.2 | 37.3 | 10.39 | 10.27 | 10.71 |
| Nondurable Goods | 379.53 | 360.88 | 357.56 | 37.1 | 36.6 | 36.3 | 10.23 | 9.86 | 9.85 |
| Food & Kindred Products | 312.05 | 293.41 | 292.92 | 35.5 | 34.6 | 33.4 | 8.79 | 8.48 | 8.77 |
| Canning & Preserving | 244.49 | 221.54 | 220.08 | 33.4 | 32.2 | 29.7 | 7.32 | 6.88 | 7.41 |
| Other Food Products | 400.05 | 407.04 | 408.33 | 38.1 | 38.4 | 39.3 | 10.50 | 10.60 | 10.39 |
| Textile Mill Products | 212.65 | 216.08 | 208.58 | 35.5 | 37.0 | 35.9 | 5.99 | 5.84 | 5.81 |
| Apparel | 211.20 | 212.60 | 214.18 | 38.4 | 38.1 | 38.8 | 5.50 | 5.58 | 5.52 |
| Paper & Allied Products | 594.56 | 549.70 | 551.17 | 41.9 | 40.9 | 42.3 | 14.19 | 13.44 | 13.03 |
| Printing & Publishing | 383.95 | 408.54 | 387.24 | 35.0 | 35.9 | 35.3 | 10.97 | 11.38 | 10.97 |
| Construction 4/ | 477.86 | 471.16 | 519.17 | 31.9 | 31.9 | 31.2 | 14.98 | 14.77 | 16.64 |
| Communications & Utilities 5/ | 490.92 | 497.24 | 457.41 | 38.9 | 40.1 | 39.5 | 12.62 | 12.40 | 11.58 |
| Trade 5/ | 280.36 | 277.20 | 275.31 | 34.4 | 33.6 | 34.5 | 8.15 | 8.25 | 7.98 |
| Wholesale Trade | 372.13 | 369.20 | 359.78 | 37.4 | 36.7 | 36.9 | 9.95 | 10.06 | 9.75 |
| Retail Trade | 239.64 | 232.73 | 233.43 | 33.1 | 32.1 | 33.3 | 7.24 | 7.25 | 7.01 |
| Banking & Insurance | 259.76 | 257.61 | 252.10 | | | | | | |
| State & Local Government | 319.33 | 320.84 | 311.90 | | | | | | |

---

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

As activity in Canning and Preserving entered its winter slowdown, the number of wage and salary workers declined by 2,000 in December. The greater proportion of higher paid workers boosted hourly and weekly earnings $.44 and $22.95 respectively.

The winter weather and economic problems combined for a double whammy to Construction. Employment was down 3,100 over November and 26,600 since December 1979. Further evidence of hard times in the industry is the 31.9 average weekly hours - unchanged since November. Heavy Construction has been hindered through belt tightening by government, public utilities, and private business. Regardless of the weather, the outlook is not good for residential activity in Oregon. Slower than normal permit activity portends continued sluggishness.

Manufacturing Hours & Earnings
12/83 and 12/79

| | 12/83 | 12/79 | Adjusted* |
|---|---|---|---|
| Ave. Weekly Earnings | | | |
| Manufacturing | 406.21 | 315.65 | 392.04 |
| Durable Goods | 415.27 | 324.17 | 402.62 |
| Nondurable Goods | 379.53 | 289.55 | 359.62 |
| Ave. Weekly Hours | | | |
| Manufacturing | 39.4 | 38.4 | - |
| Durable Goods | 40.2 | 38.5 | - |
| Nondurable Goods | 37.1 | 38.3 | - |
| Ave. Hourly Earnings | | | |
| Manufacturing | 10.31 | 8.22 | 10.21 |
| Durable Goods | 10.33 | 8.42 | 10.46 |
| Nondurable Goods | 10.23 | 7.56 | 9.39 |

*December 1979 adjusted for inflation.

If employer's expectations of the future become more optimistic, the weekly hours and earnings will probably fall as new - lower paid workers are hired. This is not a new phenomenon, but is just more exaggerated during this period of uncertainty.□

## ECONOMIC SURVEY ANALYSIS

Sixteen new publications are now available from the Oregon Employment Division's Research and Statistics section. Included are data and analysis on population, labor force, industry, occupations, income, and wages for counties and groups of counties in Oregon.

The Economic Survey Analysis supplants the Annual Economic Report (AER) of earlier years. The mailing list for the AER is being used to distribute the new release. A limited number of copies are available upon request.□

## STATE UNEMPLOYMENT RATES

| State | Rank | Dec. 1983 | Dec. 1982 | Percent Change |
|---|---|---|---|---|
| West Virginia | 1 | 15.7 | 17.0 | -1.3 |
| Alabama | 2 | 12.3 | 15.5 | -3.2 |
| Michigan | 3 | 11.9 | 17.3 | -5.4 |
| • Oregon | 4 | 11.2* | 11.8 | -0.6 |
| Washington D. C. | 5 | 11.1 | 10.8 | 0.3 |
| Alaska | 6 | 11.0 | 10.5 | 0.5 |
| Ohio | 7 | 10.5 | 14.1 | -3.6 |
| Washington | 7 | 10.5 | 13.0 | -2.5 |
| Indiana | 9 | 10.3 | 12.8 | -2.5 |
| Tennessee | 9 | 10.3 | 12.7 | -2.4 |
| Pennsylvania | 11 | 10.2 | 12.5 | -2.3 |
| Louisiana | 12 | 10.1 | 11.6 | -1.5 |
| Mississippi | 13 | 10.0 | 11.8 | -1.8 |
| Kentucky | 14 | 9.8 | 11.7 | -1.9 |
| Wisconsin | 15 | 9.7 | 11.9 | -2.2 |
| Arkansas | 16 | 9.4 | 10.8 | -1.4 |
| Illinois | 16 | 9.4 | 12.6 | -3.2 |
| Nevada | 16 | 9.4 | 11.5 | -2.1 |
| Missouri | 19 | 9.1 | 9.4 | -0.3 |
| New Mexico | 20 | 8.9 | 9.8 | -0.9 |
| Montana | 21 | 8.8 | 9.1 | -0.3 |
| California | 22 | 8.0 | 11.0 | -3.0 |
| Idaho | 22 | 8.0 | 9.8 | -1.8 |
| Maine | 24 | 7.9 | 8.3 | -0.4 |
| South Carolina | 24 | 7.9 | 10.9 | -3.0 |
| Utah | 24 | 7.9 | 8.7 | -0.8 |
| Oklahoma | 27 | 7.6 | 6.8 | 0.8 |
| Delaware | 28 | 7.5 | 7.5 | 0.0 |
| Florida | 28 | 7.5 | 9.5 | -2.0 |
| Minnesota | 28 | 7.5 | 8.7 | -1.2 |
| North Carolina | 31 | 7.3 | 8.9 | -1.6 |
| Texas | 32 | 7.1 | 7.4 | -0.3 |
| New York | 33 | 7.0 | 8.6 | -1.6 |
| Iowa | 34 | 6.8 | 9.3 | -2.5 |
| Rhode Island | 34 | 6.8 | 10.0 | -3.2 |
| Georgia | 36 | 6.6 | 7.8 | -1.2 |
| New Jersey | 37 | 6.5 | 8.8 | -2.3 |
| Arizona | 38 | 6.3 | 10.5 | -4.2 |
| North Dakota | 38 | 6.3 | 6.5 | -0.2 |
| Maryland | 40 | 6.2 | 8.4 | -2.2 |
| Wyoming | 40 | 6.2 | 7.9 | -1.7 |
| Massachusetts | 42 | 5.8 | 7.1 | -1.3 |
| Vermont | 42 | 5.8 | 7.2 | -1.4 |
| Hawaii | 44 | 5.5 | 6.6 | -1.1 |
| Virginia | 44 | 5.5 | 8.1 | -2.6 |
| Colorado | 46 | 5.3 | 8.6 | -3.3 |
| Nebraska | 46 | 5.3 | 6.7 | -1.4 |
| South Dakota | 46 | 5.3 | 6.0 | -0.7 |
| Kansas | 49 | 4.9 | 7.0 | -2.1 |
| Connecticut | 50 | 4.5 | 7.0 | -2.5 |
| New Hampshire | 51 | 4.3 | 7.7 | -3.4 |

* Preliminary

## DATA FOR 1984 AFFIRMATIVE ACTION PROGRAMS

Thirty-three Affirmative Action Data packets for 1984 are now being published by the Oregon Employment Division's Research and Statistics section. They are designed to assist employers establish written affirmative action goals for women and people of ethnic or racial minority groups.□

## 'THE OREGON DEFENSE'

*Tom Lynch*

Changes in the nation's defense/social priorities in the 1980's means that adjustments are necessary in the skill requirements of the labor force at both the national and state level. A recent analysis for the Department of Defense highlights the increased needs that will be generated by the expected buildup in defense spending through 1987. One out of every five new jobs will be to supply goods and services to support rising expenditures for defense. A summary of the major conclusions of the defense-sponsored study shows:

> Expenditures for defense will take on an increasingly important role in shaping the major dimensions of the nation's economy.
>
> Changing patterns of defense spending will accentuate their impact on U.S. industry and the national labor force.
>
> Nationally, the demand for workers skilled in the use, operation, and repair of computer equipment will grow at especially rapid rates throughout the 1980's. Other potential shortage occupations may be electrical engineers and technicians, aeronautical and mechanical engineers, economists, assemblers, machine tool operators, and other metal working specialities.
>
> The impact of defense expenditures will be concentrated in California, Texas, New York, Pennsylvania, Florida, Ohio, Virginia, Illinois, Massachusetts, New Jersey, Indiana, Connecticut, Alabama and Washington. Of these states, California, Texas and Florida will receive approximately 43% of the new jobs created.

Their conclusions point out that the benefits derived from the changed national priorities will be concentrated in only 14 out of the 50 states in the nation.

The question in Oregon is how will our state's economy benefit from these rising levels of defense related expenditures. According to defense model forecasts for Oregon, total nonfarm employment is expected to grow only 3.3% from 1981 through 1987 or a total of 32,500 new jobs. In 1981, defense related employment stood at 31,300 or 3.2% of the total nonagricultural wage and salary employment in the state. By 1987 the total defense related employment will increase to 40,300 or 4.0% of total wage and salary jobs. This 9,000 jump represents only six-tenths of one percent of the 1.4 million defense related jobs expected to be created nationally between 1981 and 1987. If Oregon were to share defense increases according to Oregon's proportion of the U.S. labor force, the number of new jobs in the state would be near 17,000. However, this is not in the cards since major economic industrial changes do not occur in periods as short as these forecasts.

One irony of the defense related budget is that it impacts negatively on one critical area of Oregon's economic future. The crisis in keeping a quality education system will be heightened by decreases in social expenditures. According to the forecasts there will be approximately 4,600 fewer teachers in Oregon's elementary, secondary and higher education institutions due to these changes in national priorities.

So what, you say, do these new Federal directions mean to Oregon in the 1980's? Do they foretell doom and gloom for the state's economy? Not necessarily, because other things are happening. Housing demand is stabilizing, major efforts are being made to diversify the State's economy, to enhance its liveability, and to improve its and the Nation's educational systems. A longer view would indicate that if the state's future economic development path is diversity, we will be less susceptible to wide swings in Federal social or defense policies. □

## OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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DEPARTMENT OF HUMAN RESOURCES
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# OREGON LABOR TRENDS

Prepared by Research and Statistics Section
STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES
MARCH 1984

## FEBRUARY INDICATORS

### UNEMPLOYMENT RATE

| *Oregon* | S.A. | Raw |
|---|---|---|
| Feb. '84 | 8.8 | 10.9 |
| Jan. '83 | 9.8 | 12.0 |
| *U.S.* | | |
| Feb. '84 | 7.8 | 8.4 |
| Jan. '84 | 8.0 | 8.8 |

### WAGE AND SALARY EMPLOYMENT INDEX

| *Oregon* | 1977=100 |
|---|---|
| Feb. 1984: | 105.8 |
| Jan. 1983: | 105.5 |
| Feb. 1983: | 101.4 |
| Feb. 1982: | 103.8 |
| Feb. 1981: | 109.9 |
| Feb. 1980: | 114.3 |

### DIFFUSION INDEX

| *Oregon* | |
|---|---|
| Feb. 1984: | 62.8 |
| Jan. 1984: | 60.5 |
| Dec. 1983: | 57.8 |
| Nov. 1983: | 59.3 |
| Oct. 1983: | 59.3 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| *Oregon* | |
|---|---|
| Jan. 1984: | 39.3 |
| Dec. 1983: | 39.4 |
| Jan. 1983: | 38.1 |

### CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

| *Portland SMSA* | |
|---|---|
| Jan. 1984 | 295.1 |
| Year Change | + 3.0% |
| *U.S.* | |
| Feb. 1984 | 306.6 |
| Year Change | + 4.6% |
| Portland Hotline | 221-4132 |

## MONTHLY ECONOMIC ANALYSIS

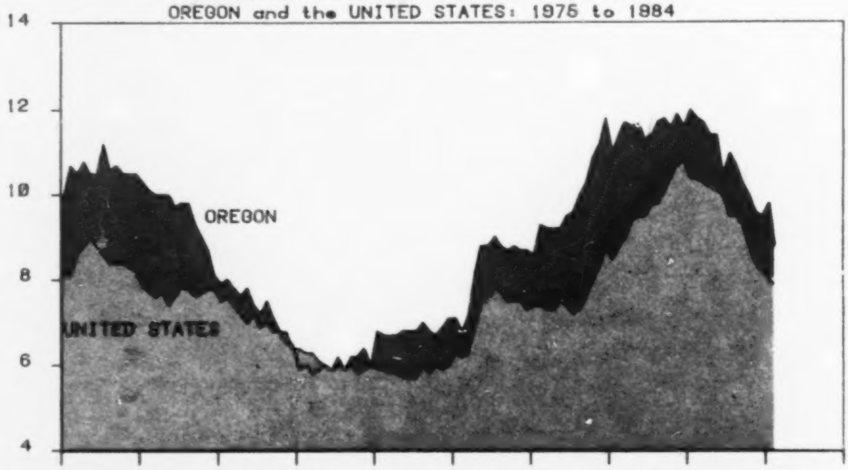
*Jeff Hannum*

Oregon's economy continued to improve during February - one more sign that the state's recovery is on track and even spreading to new sectors. Last year's turnaround from three years of recession was mostly driven by a strong rebound in national housing starts and related industries such as lumber and wood products and also by a surge in consumer-spending, especially for durable goods like autos and household goods. Now, a pick-up in orders, production, and hiring activity is spreading into some of the other manufacturing industries in Oregon which are more capital goods oriented.

This broadening of the economic recovery in February was reflected in all three of the major economic indicators produced by the Employment Division. The Oregon Diffusion Index, which measures the percentage of some 43 industries having seasonally adjusted employment gains, rose 2.3 points over the month to 62.8 in February. This was substantially above the year ago mark of 45.7 and also was the highest level for this leading economic indicator since 1979.

Another good indicator of Oregon's economic pulse is the nonagricultural wage and salary employment index. This measure, which relates the current month's seasonally adjusted nonfarm payroll employment to the 1977 annual average, also rose both over the month and from one year ago. February's index of 105.8 was the highest in over two years.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1984



## RESIDENT OREGON LABOR FORCE

| | 1/<br>Feb.<br>1984 | 2/<br>Jan.<br>1984 | Change | % Change | 5/<br>Feb.<br>1983 |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,293,400 | 1,301,500 | - 8,100 | - 0.6 | 1,315,200 |
| Unemployment | 140,900 | 156,800 | -15,900 | -10.1 | 177,800 |
| Percent of Labor Force | 10.9 | 12.0 | xxx | xxx | 13.5 |
| Seasonally Adjusted Percent | 8.8 | 9.8 | xxx | xxx | 11.8 |
| Total Employment 4/ | 1,152,500 | 1,144,700 | + 7,800 | + 0.7 | 1,137,400 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | 1/<br>Feb.<br>1984 | 2/<br>Jan.<br>1984 | Feb.<br>1983 | Change From<br>Jan.<br>1984 | <br>Feb.<br>1983 |
|---|---|---|---|---|---|
| TOTAL 3/ | 970,000 | 965,800 | 931,900 | 4,200 | 38,100 |
| Wage & Salary Employment Index 4/ | 105.8 | 105.5 | 101.4 | xxx | xxx |
| Diffusion Index 5/ | 62.8 | 60.5 | 45.7 | xxx | xxx |
| Total Manufacturing | 189,400 | 187,100 | 176,100 | 2,300 | 13,300 |
| Durable Goods | 138,700 | 136,600 | 126,600 | 2,100 | 12,100 |
| Lumber & Wood Products | 63,500 | 63,100 | 56,000 | 400 | 7,500 |
| Logging & Sawmills | 32,200 | 32,100 | 29,300 | 100 | 2,900 |
| Veneer & Plywood | 17,400 | 17,200 | 16,700 | 200 | 700 |
| Millwork & Structural Wood | 8,400 | 8,300 | 5,800 | 100 | 2,600 |
| Mobile Homes | 1,700 | 1,700 | 1,100 | 0 | 600 |
| Other Wood Products | 3,800 | 3,800 | 3,100 | 0 | 700 |
| Furniture & Fixtures | 2,300 | 2,300 | 2,200 | 0 | 100 |
| Stone, Clay, Glass, & Concrete | 2,900 | 2,800 | 2,700 | 100 | 200 |
| Primary Metals | 8,400 | 8,200 | 7,100 | 200 | 1,300 |
| Blast Furnaces, Iron & Steel | 4,500 | 4,300 | 3,900 | 200 | 600 |
| Nonferrous Metals | 3,900 | 3,900 | 3,200 | 0 | 700 |
| Fabricated Metals | 9,500 | 9,400 | 8,800 | 100 | 700 |
| Fabricated Structural Metals | 4,200 | 4,100 | 3,700 | 100 | 500 |
| Other Fabricated Metals | 5,300 | 5,300 | 5,100 | 0 | 200 |
| Machinery | 15,400 | 15,200 | 15,000 | 200 | 400 |
| Electrical Equipment & Supplies | 11,500 | 11,300 | 9,800 | 200 | 1,700 |
| Transportation Equipment | 8,300 | 7,500 | 7,000 | 800 | 1,300 |
| Instruments & Related Products | 14,400 | 14,300 | 15,800 | 100 | -1,400 |
| Miscellaneous Manufacturing | 2,500 | 2,500 | 2,200 | 0 | 300 |
| Nondurable Goods | 50,700 | 50,500 | 49,500 | 200 | 1,200 |
| Food & Kindred Products | 20,500 | 20,400 | 20,500 | 100 | 0 |
| Canning & Preserving | 10,600 | 10,600 | 10,700 | 0 | - 100 |
| Other Food Products | 9,900 | 9,800 | 9,800 | 100 | 100 |
| Textile Mill Products | 1,700 | 1,800 | 1,700 | - 100 | 0 |
| Apparel | 2,600 | 2,600 | 2,500 | 0 | 100 |
| Paper & Allied Products | 9,300 | 9,300 | 9,300 | 0 | 0 |
| Printing & Publishing | 10,600 | 10,600 | 10,300 | 0 | 300 |
| Chemicals & Allied Products | 2,200 | 2,200 | 2,000 | 0 | 200 |
| Petroleum Refining | 600 | 500 | 500 | 100 | 100 |
| Rubber & Plastic Products | 2,700 | 2,600 | 2,300 | 100 | 400 |
| Leather Products | 500 | 500 | 400 | 0 | 100 |

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | Feb. 1984 | Jan. 1984 | Feb. 1983 | Change From Jan. 1984 | Change From Feb. 1983 |
|---|---|---|---|---|---|
| (cont.) | | | | | |
| Total Nonmanufacturing | 780,600 | 778,700 | 755,800 | 1,900 | 24,800 |
| Mining & Quarrying | 1,500 | 1,400 | 1,400 | 100 | 100 |
| Construction | 23,700 | 24,200 | 22,300 | - 500 | 1,400 |
| Transportation, Communications, & Utilities | 55,400 | 54,800 | 54,400 | 600 | 1,000 |
| Transportation | 32,300 | 31,600 | 30,400 | 700 | 1,900 |
| Railroad | 4,900 | 4,900 | 5,300 | 0 | - 400 |
| Trucking & Warehousing | 16,900 | 16,300 | 15,300 | 600 | 1,600 |
| Other Transportation | 10,500 | 10,400 | 9,800 | 100 | 700 |
| Communications | 14,800 | 14,900 | 15,300 | - 100 | - 500 |
| Utilities | 8,300 | 8,300 | 8,700 | 0 | - 400 |
| Trade | 242,200 | 244,600 | 228,800 | -2,400 | 13,400 |
| Wholesale Trade | 62,000 | 62,200 | 60,100 | - 200 | 1,900 |
| Durable Goods | 36,500 | 36,600 | 35,400 | - 100 | 1,100 |
| Nondurable Goods | 25,500 | 25,600 | 24,700 | - 100 | 800 |
| Retail Trade | 180,200 | 182,400 | 168,700 | -2,200 | 11,500 |
| General Merchandise | 24,600 | 25,200 | 23,100 | - 600 | 1,500 |
| Food Stores | 28,200 | 28,300 | 25,700 | - 100 | 2,500 |
| Auto Dealers & Service Stations | 22,800 | 22,800 | 20,500 | 0 | 2,300 |
| Other Retail Trade | 104,600 | 106,100 | 99,400 | -1,500 | 5,200 |
| Finance, Insurance, & Real Estate | 65,300 | 65,000 | 62,600 | 300 | 2,700 |
| Banking & Credit Agencies | 23,400 | 23,400 | 23,300 | 0 | 100 |
| Other Finance, Insurance, & Real Estate | 41,900 | 41,600 | 39,300 | 300 | 2,600 |
| Services | 194,600 | 192,900 | 189,800 | 1,700 | 4,800 |
| Hotels & Personal Services | 22,300 | 22,300 | 22,000 | 0 | 300 |
| Health Services | 67,200 | 66,900 | 65,400 | 300 | 1,800 |
| Other Services | 105,100 | 103,700 | 102,400 | 1,400 | 2,700 |
| Government | 197,900 | 195,800 | 196,500 | 2,100 | 1,400 |
| Federal Government | 28,800 | 28,900 | 27,900 | - 100 | 900 |
| State Government | 52,600 | 52,100 | 52,200 | 500 | 400 |
| Education | 23,000 | 22,600 | 22,900 | 400 | 100 |
| Other State | 29,600 | 29,500 | 29,300 | 100 | 300 |
| Local Government | 116,500 | 114,800 | 116,400 | 1,700 | 100 |
| Education | 75,800 | 74,100 | 75,300 | 1,700 | 500 |
| Other Local | 40,700 | 40,700 | 41,100 | 0 | - 400 |
| Labor-Management Disputes | 900 | 900 | 0 | 0 | 900 |

---

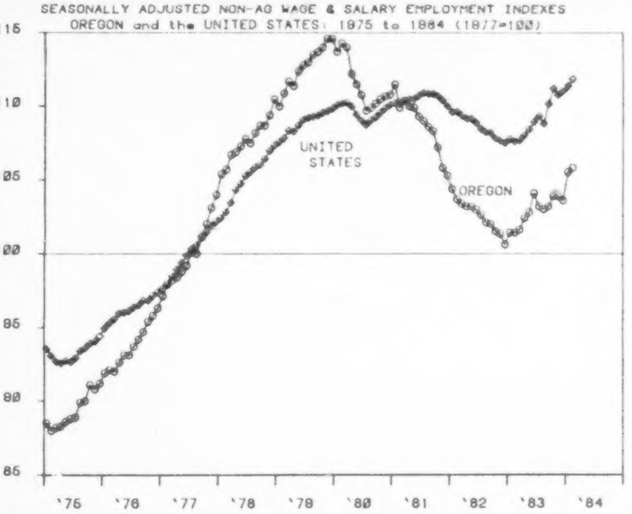
1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.



The most dramatic improvement in February, however, came in Oregon's seasonally adjusted unemployment rate, which at 8.8% was one full point lower than January and three points below February, 1983. Despite February's solid improvement, Oregon's unemployment rate is still well above the nation's which dropped again last month by two tenths of a point to 7.8%.

More jobs coupled with an 8,100 drop in the labor force during February pushed total unemployment nearly 16,000 lower over the month and 37,000 lower than one year ago. One year ago the recovery was just getting underway in Oregon.

Where have some of the unemployed found jobs? February's labor force table provides some answers.

In the past year 38,100 nonfarm payroll jobs were reinstated or created. Since Oregon's recovery during 1983 was fueled mainly by the rebound in the national housing market and by stronger consumer spending, it is not surprising that the largest job gains since February, 1983 have come in Lumber and Wood Products (+7,500) and Retail Trade (+11,500). Although employment in the "high tech" Instruments and Related Products industry has been reduced by 1,400, employers in all of the other Durable Goods manufacturing industries increased their hiring and have collectively accounted for 5,900 more jobs. Most of these have come in three sectors all of which serve capital goods markets. They include Primary Metals, Electrical Equipment and Supplies, and Transportation Equipment.

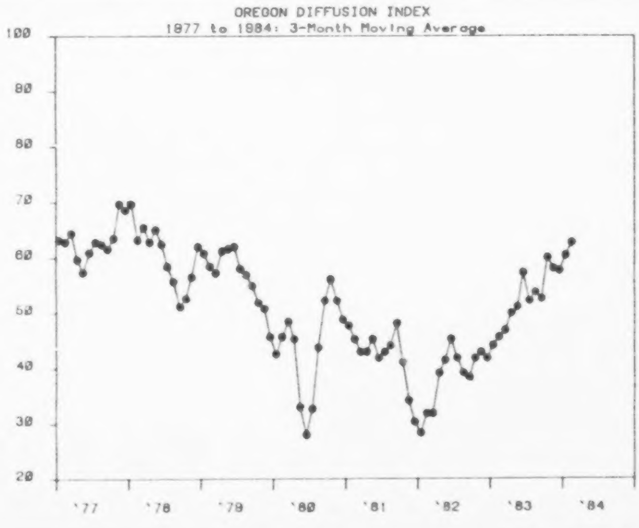
Oregon's Construction industry managed to add only 1,400 more jobs in the past year reflecting high interest rates, further population losses, and completion of some large commercial building projects. Just four years ago employment at 47,000 was nearly double February's 23,700.

The job picture over the past month has been different. Rather than lumber and wood products and retail trade leading the way, the emphasis has shifted to the other durable goods manufacturing industries. Manufacturing accounted for a little over half of February's 4,200 increase in nonfarm employment and virtually all of this came in durable goods.

Lumber and wood products accounted for only 400 of the February job gain - about half the normal seasonal increase. This industry had an exceptionally strong January however and optimism continues to run high that 1984 will be the best year since 1978-79. Housing starts in the nation are expected to at least match 1983's 1.7 million units and possibly run slightly higher. A recent survey of household buying plans for the next six months conducted by the Conference Board supports this optimism. While the overall Buying Plans index jumped from 101.4 in January to 107 in February, the categories that showed the most dramatic improvement were plans to purchase homes and automobiles. In anticipation of a busy spring building season, many dealers have decided to beef-up their inventories of building materials. This shows up in higher orders recently for lumber and plywood.

The main story in February's labor trend however was the continuing expansion of the so-called "smokestack" industries in the rest of durable goods manufacturing. Transportation Equipment was the star performer with an 800 increase in employment, most of which came in the ship repair sector. Repair contracts on several supertankers should help support employment in this industry over the next few years. Employment gains were also noted in virtually all of the other durable goods categories in February although these were generally in the 100-200 range. On a seasonally adjusted basis, employment in Durable Goods manufacturing (excluding lumber and wood products) jumped by 1,500 in February following a 2,100 gain in January. With inventories in most industries still fairly lean, and with the rebound in business equipment spending now picking up steam nationwide, further hiring in durable goods manufacturing can be expected throughout 1984.

In nondurable goods, the situation was mixed. Food and Kindred Products employment was stable overall but within this sector divergent trends were apparent. The seafood industry which has been plagued by various problems including the El Nino effect, dropped 500 jobs in February. This loss was countered however by employment expansion in



canning and preserving, much of it coming in potato processing in eastern Oregon. Demand and prices for potatoes have improved sharply since one year ago.

Elsewhere in nondurable goods manufacturing job levels were little changed over the month. An expected increase in road construction projects this summer however, did bring some hiring in Petroleum Refining where asphalt products are produced.

In the nonmanufacturing industries, employment rose by 1900 in February - a little more than seasonally expected. The hiring of substitute teachers during the flu season accounted for much of the increase. Hiring also picked up in private business and educational services, and in trucking and warehousing during February.

Although consumer spending is still one of the major props necessary for further economic growth in 1984, employment in retail trade slipped by 2,200 last month. For the most part this reflected a normal seasonal slowdown in restaurants and in general merchandise stores where layoffs followed annual inventory activity and post-holiday clearance sales. Prospects for consumer spending and retail trade remain very good, however, for spring and summer. This is virtually assured by the employment gains that have already occurred over the past year, by increased hiring activity expected in the months ahead as the recovery expands further into the capital goods oriented industries, and by a huge flow of income tax refunds back to taxpayers following last July's 10% cut in federal income tax rates.

Although the construction industry's employment trend was down by 500 in February, wet weather was largely to blame. This sector has been very slow to recover from the recession and will probably continue to struggle during 1984. High interest rates will still be exerting a powerful drag on building activity, but there are at least two factors that offer hope. The first is a 10-15% growth in funding for road and bridge projects, financed from recent increases in both Federal and State gasoline taxes. This will provide a further shot in the arm to the Heavy Construction sector which initiated the industry's weak turnaround in 1983.

The second positive factor is less certain and impossible to measure at this time. Since about 1981, more people have been leaving Oregon than moving into the state due primarily to limited job opportunities. This net out-migration flow of about 25,300 in 1981-82 and nearly 40,000 in 1982-83 has slowed Oregon's economic recovery in many industrial sectors, including construction. With nonfarm employment now 38,000 higher than a year ago and further gains expected in 1984 there is a good chance that the net outflow of people has stopped and that population in-migration will begin to occur in 1984. Although there will continue to be differences in the rates of population growth and even decline in various parts of the state, the overall effect should be positive in 1984 for Oregon.

In summary, February was a good month. All of the key economic indicators advanced and the recovery continued to broaden its base into more of the basic manufacturing industries.

## THE EMPLOYER'S CORNER

*Jim Mosley*

The Oregon Employment Division has launched a new program which will increase the detection and prevention of improper Unemployment Insurance payments. This new unit is called Random Audit. It is a quality control program and begins April 1, 1984.

Each week will begin with a random selection of several claims. Each claim will be thoroughly investigated. The Random Audit Investigator will assess the accuracy of the payments. Investigators will contact employers in advance to schedule appointments for personal visits to verify work searches, earnings and reason for separation. They will also conduct comprehensive interviews with the claimants. The data they gather will provide the Employment Division with valuable information on statewide causes of both overpayments and underpayments.

We encourage all employers to cooperate in the Random Audit Program whenever an investigator contacts them for information. Detection and correction of payment errors will help limit the tax dollars Oregon employers contribute to support the unemployment insurance program.

ONCOMING JSEC SPONSORED SEMINARS........

| | |
|---|---|
| March 29 | Opening a Small Business Klamath Falls |
| March 30 | Summer Youth-Targeted Jobs Tax Credits-Portland |
| April 4 | Employment at Will Beaverton - Hillsboro |
| April 12 | TJTC and Emergency Veterans Jobs Training Act-Bend |

If you are interested in attending any of these seminars, please contact your nearest Employment Office.

## 1982 COVERED EMPLOYMENT AND PAYROLL DATA NOW AVAILABLE

The annual publication, Oregon Covered Employment and Payrolls by Industry and County, is now available for 1982. Tables within the publication depict employment and payroll data at the four-digit industry level (using Federal Standard Industrial Classification codes) for the state and two-digit industry level for each Oregon county. If you have not received a copy and would like to be placed on the mailing list, please contact:

Oregon Employment Division R & S
Attn: ES 202
875 Union Street, NE
Salem, OR 97311
Telephone: 378-8655
Toll Free in Oregon:
1-800-237-3710 X 8-8655

# HOURS & EARNINGS – ANOTHER PERSPECTIVE OF CHANGE

*Mark Hunt*

Evidence of Oregon's recovery is growing. The jobless rate continues to slide while Hours and Earnings offer additional proof of increasing stability. Business activity is making solid gains, but manufacturers still prefer to remain cautious about major projects or adding too many employees to the workforce. The emphasis on cost control is indicative of the competitive nature of this recovery. Structural changes are also providing a subtle influence on how Oregon is emerging from this recession. Dependence on natural resources, especially forest products, is gradually eroding through diversification of the State's economy and changing markets. Change has nurtured growth in areas such as Electronics, Printing and Publishing, and Food Processing. Years rather than months are required for such changes to occur - but occur they do.

A measure of these changes can be gleened by comparing the relative size of specific industries using both employment and production worker payroll data. The comparison allows ranking of industries by their percentage share of Total Manufacturing. Viewed over time, some of the structural changes begin to emerge and offer a perspective of the changing economic impact some industries are facing. The following list provides a look at how these changes have affected some of Oregon's major manufacturing industries from January 1973 to January 1984:

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Jan.2/ 1984 | Dec.3/ 1983 | Jan. 1983 | Jan.2/ 1984 | Dec.3/ 1983 | Jan. 1983 | Jan.2/ 1984 | Dec.3/ 1983 | Jan. 1983 |
| TOTAL MANUFACTURING 4/ | $411.47 | $406.21 | $392.43 | 39.3 | 39.4 | 38.1 | $10.47 | $10.31 | $10.30 |
| Durable Goods | 423.20 | 415.27 | 405.58 | 40.0 | 40.2 | 38.7 | 10.58 | 10.33 | 10.48 |
| Lumber & Wood Products | 440.30 | 428.79 | 420.03 | 40.1 | 40.3 | 39.0 | 10.98 | 10.64 | 10.77 |
| Logging & Sawmills | 472.82 | 457.88 | 456.11 | 39.8 | 40.7 | 39.8 | 11.88 | 11.25 | 11.46 |
| Veneer & Plywood | 452.19 | 433.76 | 412.16 | 41.6 | 40.5 | 38.7 | 10.87 | 10.71 | 10.65 |
| Millwork & Struct Wood | 331.30 | 343.76 | 306.45 | 39.3 | 40.3 | 37.1 | 8.43 | 8.53 | 8.26 |
| Mobile Homes | 239.37 | 243.02 | 271.17 | 33.2 | 33.2 | 34.9 | 7.21 | 7.32 | 7.77 |
| Other Wood Products | 446.89 | 435.71 | 400.40 | 40.7 | 39.9 | 38.5 | 10.98 | 10.92 | 10.40 |
| Furniture & Fixtures | 261.46 | 263.93 | 228.72 | 34.0 | 34.5 | 33.1 | 7.69 | 7.65 | 6.91 |
| Primary Metals | 515.27 | 514.37 | 484.29 | 43.3 | 42.9 | 37.6 | 11.90 | 11.99 | 12.88 |
| Fabricated Metals | 387.29 | 388.73 | 385.06 | 39.6 | 40.2 | 38.2 | 9.78 | 9.67 | 10.08 |
| Machinery | 409.85 | 416.64 | 403.26 | 40.3 | 40.1 | 37.9 | 10.17 | 10.39 | 10.64 |
| Nondurable Goods | 377.21 | 379.53 | 356.85 | 37.2 | 37.1 | 36.6 | 10.14 | 10.23 | 9.75 |
| Food & Kindred Products | 306.76 | 312.05 | 296.01 | 35.3 | 35.5 | 34.5 | 8.69 | 8.79 | 8.58 |
| Canning & Preserving | 241.29 | 244.49 | 223.25 | 33.7 | 33.4 | 31.4 | 7.16 | 7.32 | 7.11 |
| Other Food Products | 395.25 | 400.05 | 395.76 | 37.5 | 38.1 | 38.8 | 10.54 | 10.50 | 10.20 |
| Textile Mill Products | 214.07 | 212.65 | 206.84 | 35.5 | 35.5 | 35.6 | 6.03 | 5.99 | 5.81 |
| Apparel | 216.55 | 211.20 | 196.54 | 38.6 | 38.4 | 35.8 | 5.61 | 5.50 | 5.49 |
| Paper & Allied Products | 558.67 | 594.56 | 534.20 | 41.2 | 41.9 | 41.8 | 13.56 | 14.19 | 12.78 |
| Printing & Publishing | 417.20 | 383.95 | 372.73 | 36.5 | 35.0 | 34.9 | 11.43 | 10.97 | 10.68 |
| Construction 4/ | 487.25 | 477.86 | 525.27 | 32.9 | 31.9 | 31.7 | 14.81 | 14.98 | 16.57 |
| Communications & Utilities 5/ | 506.65 | 490.92 | 447.72 | 39.8 | 38.9 | 39.0 | 12.73 | 12.62 | 11.48 |
| Trade 5/ | 282.56 | 280.36 | 272.36 | 33.4 | 34.4 | 33.5 | 8.46 | 8.15 | 8.13 |
| Wholesale Trade | 392.17 | 372.13 | 365.77 | 37.6 | 37.4 | 37.4 | 10.43 | 9.95 | 9.78 |
| Retail Trade | 231.10 | 239.64 | 224.91 | 31.4 | 33.1 | 31.5 | 7.36 | 7.24 | 7.14 |
| Banking & Insurance | 275.28 | 259.76 | 254.85 | | | | | | |
| State & Local Government | 319.46 | 319.38 | 307.39 | | | | | | |

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1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

| 1973 Production Payroll | % of Total Mfg. | 1984 Production Payroll | % of Total Mfg. |
|---|---|---|---|
| Logging & Sawmills | 25% | Logging & Sawmills | 22% |
| Veneer & Plywood | 14% | Veneer & Plywood | 11% |
| Trans. Equip. | 07% | Paper & Allied | 07% |
| Machinery | 04% | Measuring inst. | 07% |

| 1973 Employment | % of Total Mfg. | 1984 Employment | % of Total Mfg. |
|---|---|---|---|
| Logging & Sawmills | 21% | Logging & Sawmills | 17% |
| Veneer & Plywood | 14% | Veneer & Plywood | 09% |
| Other Food Proc. | 06% | Machinery | 08% |
| Machinery | 06% | Measuring Inst. | 08% |

Certainly, Lumber and Wood Products industries will continue to be a dominant force in Oregon's economy, however, the above comparison reflects the gradual decline in their relative importance. Conversely, changes are occurring in other significant manufacturing industries. The economic importance (measured by payroll) of Paper and Allied Products and Measuring Instruments, for example,has supplanted that of Transportation Equipment and Machinery. The sheer size of Measuring Instruments and the high average hourly earnings for Paper and Allied Products ($13.56 for January 1984) fueled this change.

Increasing pay scales have also widened the gap between employment and payroll's percentage share of total manufacturing between 1973 and 1984. A good example of this is Veneer and Plywood. In 1973 the percentage share for both indicators was 14%, while 1984 lists payroll at 11% compared to 9% for employment. During this time hourly earnings have climbed from $4.57 to $10.87.

The shrinking size of Veneer and Plywood reflects in part an eroding market due to increased transportation costs, a declining supply of old growth timber, as well as increased competition from the Southern Region of the United States. The appearance of Measuring Instruments among leading Oregon industries signals the emergence of so-called high-tech industries to a position of prominence in the state's economy. Indeed, of the six largest employers three are associated with new technologies.

Reviving from a succession of bad years, Lumber and Wood Products did come back to life in 1983. Production activity measured by average weekly hours remains strong going into 1984. Though January's 40.1 was .2 below the previous month, it was the highest workweek average since 1978. Strength in the forest products sector coupled with solid gains over the year in Primary Metals (+5.7 hours), Fabricated Metals (+1.4) and Machinery (+2.4) all contributed to the 39.3 average for Total Manufacturing --the highest January figure since 1972. Representation by industries on the move is also weighted toward those with higher pay scales, resulting in obvious earnings benefits for Durable Goods workers.

Nondurables did not fare as well in January, but neither did it reverse the trend set by Durable Goods. Hourly earnings fell $.09. The slight decline was largely a reflection of a return to a more normal level of operation by producers of Paper and Allied Products. Extremely cold weather in December forced excessive overtime in this industry and artifically boosted hours and earnings above normal levels.

Consumer plans figure prominently in how Nonmanufacturing sectors fare. A still too weak housing market in Oregon has left Construction dependent on Heavy Construction, largely road building or repair projects. As such, employment and weekly hours remain sluggish despite the 1.0 hour increase reported for January. Increased consumer activity in Trade has stimulated employment and kept the December to January drop in weekly hours .2 below normal expectations. (Average 1.2 since 1973).

The structural changes at work do not negate the significance of short-term swings, but are important for the perspective gained. Diversity will enable Oregon to better cope with future economic adversity, and that is the bottom line!

## ANNUAL REVISIONS

*Gary Barker*

Once each year those of us involved in producing employment and unemployment data in cooperation with the U.S. Bureau of Labor Statistics devote considerable effort to the task of revising and upgrading our estimates of the prior couple of years. This "benchmarking" process pulls together all the latest data, including some that was not available when the original estimates were made. The result is a sound historical time series and a solid base for the estimates of the coming year.

Boring stuff? The "number crunching" aspect of benchmarking can be and the results many times just reinforce the direction evident in the earlier statistics. The 1982 data was no exception, showing little change from the original estimates. Indeed, the 1982 unemployment rate remained unchanged at 11.5% and total nonfarm employment held at 960,800.

Two points are evident from the 1982 numbers. First, with the highest unemployment rate on record the state's economy was suffering - 1982 saw the state go still deeper into the recession. And second, our ability to track the downturn held up exceptionally well that year despite the "hard to believe" depths to which the numbers and the economy had fallen.

Then in 1983 a change began taking place in the economy of Oregon - it headed up instead of down. In fact, looking at the newly benchmarked numbers it moved up in some areas at a pace faster than we were able to track. A comparison of the employment numbers reveals the following:

### 1983 AVERAGE EMPLOYMENT

| | Revised ('83 BM) | Original ('82 BM) | Change | % Change |
|---|---|---|---|---|
| Total Nonfarm | 963,700 | 951,300 | 12,400 | 1.3 |
| Manufacturing | 187,000 | 186,100 | 900 | .5 |
| Lumber & Wood | 62,000 | 62,200 | - 200 | - .3 |
| Other Durables | 71,700 | 70,600 | 1,100 | 1.6 |
| Food & Kindred | 23,800 | 24,000 | - 200 | - .8 |
| Other Nondurables | 29,500 | 29,300 | 200 | .7 |
| Nonmanufacturing | 776,700 | 765,200 | 11,500 | 1.5 |
| Mining & Quarrying | 1,600 | 1,400 | 200 | 14.3 |
| Construction | 26,400 | 27,700 | -1,300 | - 4.7 |
| Trans., Comm. & Util. | 54,900 | 55,200 | - 300 | - .5 |
| Trade | 242,200 | 239,700 | 2,500 | 1.0 |
| Fin., Ins. & Real Est. | 64,700 | 63,800 | 900 | 1.4 |
| Services | 193,900 | 185,900 | 8,000 | 4.3 |
| Government | 193,000 | 191,500 | 1,500 | .8 |

During an economic rebound it is sometimes difficult to accurately track the expansion happening in the economy. Growth among small firms and those establishments just getting started is the hardest to follow. Such was the case during the last half of 1983 when business expansion showed a surge. Most apparent is the previously underestimated growth that occurred in some of the nonmanufacturing industries, especially trade and services.

Painfully evident, too, is the fact that Oregon's construction industry failed to come out of the starting gate. Construction employment remained stuck in the quagmire created by too many homes affordable by too few people, a reflection of the state's earlier economic dilemma.

Some changes were also evident in the labor force statistics for the state, particularly the unemployment data. Basically, the revisions showed the rate of unemployment was up more than the earlier statistics indicated during the first half of the year and, conversely, the rate came down at a faster pace during the last part of the year. The end result was little overall change for 1983. The newly benchmarked data shows an annual average unemployment rate of 10.8% versus an original estimate of 10.6%.

Overall, the benchmark revisions lead to one conclusion: the economy of the state of Oregon was indisputably on the mend in 1983, particularly the last half of the year. Given that as a foundation and supported by the positive evidence available to us for the first couple of months of this year, it is apparent that 1984 holds all the ingredients for the making of a year of progress for Oregon.

## OREGON CAREERS

The updated issue of Oregon Careers is now available. This year's 32-page newspaper again provides information on more than 250 occupations and contains many new articles.

The "Career Guide" section of the newspaper describes the major occupations in Oregon as well as includes the number of persons employed, average wages, employment outlook, training requirements, and schools that offer training. Features in the rest of the tabloid include:

An overview of 18 career clusters,
Job search techniques,
A career planning quiz,
The impact of high technology on Oregon's jobs,
A brief outlook of 1984's job market,
Highlights of the new Job Training Partnership Act program in Oregon, and
The top 20 occupations.

Sixty thousand copies of Oregon Careers have been printed. Most have been sent to high schools, community colleges, and Job Training Partnership Act Summer Youth Employment & Training Program.

A limited number of copies may be available by contacting:

Employment Division - R & S
Attn: Dwayne Stevenson
875 Union NE
Salem OR 97311
Telephone 378-6400
Toll free in Oregon:
1-800-237-3710 X 8-6400

## OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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# OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

APRIL 1984

## MARCH INDICATORS

### UNEMPLOYMENT RATE

| | S.A. | Raw |
|---|---|---|
| *Oregon* | | |
| Mar. '84 | 9.2 | 10.7 |
| Feb. '84 | 8.8 | 10.9 |
| *U.S.* | | |
| Mar. '84 | 7.8 | 8.1 |
| Feb. '84 | 7.8 | 8.4 |

### WAGE AND SALARY EMPLOYMENT INDEX

| *Oregon* | 1977=100 |
|---|---|
| Mar. 1984: | 106.1 |
| Feb. 1984: | 106.0 |
| Mar. 1983: | 101.6 |
| Mar. 1982: | 103.4 |
| Mar. 1981: | 110.4 |
| Mar. 1980: | 114.0 |

### DIFFUSION INDEX

| *Oregon* | |
|---|---|
| Mar. 1984: | 64.7 |
| Feb. 1984: | 62.8 |
| Jan. 1984: | 59.3 |
| Dec. 1983: | 58.1 |
| Nov. 1983: | 59.7 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| *Oregon* | |
|---|---|
| Feb. 1984: | 38.7 |
| Jan. 1984: | 39.3 |
| Feb. 1983: | 38.3 |

### CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

| | |
|---|---|
| *Portland SMSA* | |
| Mar. 1984 | 298.0 |
| Year Change | + 4.7% |
| *U.S.* | |
| Mar. 1984 | 307.3 |
| Year Change | + 4.7% |

Portland Hotline 221-4132

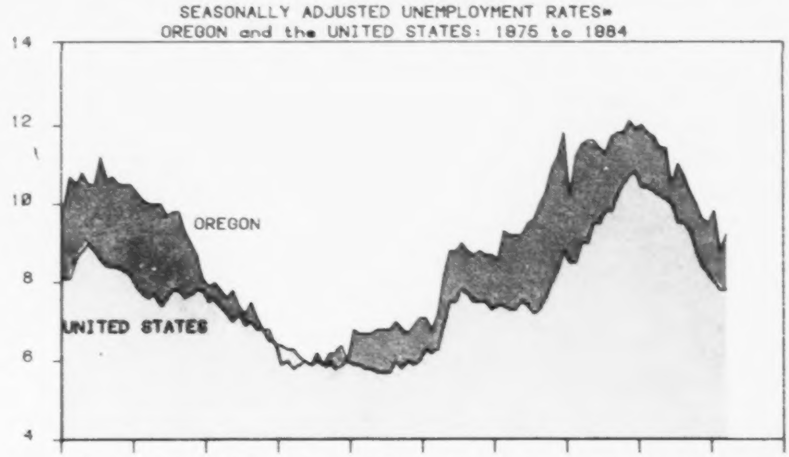
## MONTHLY ECONOMIC ANALYSIS

*Gary Barker*

March's economic statistics, for both the U.S. and Oregon, showed a slowing from the pace set in prior months. Nationwide the record has unquestionably pointed toward recovery for some time with sharp gains in auto sales, moderation in interest rates, expanded job counts, etc., yet the March report suggested a slightly different tone. Most noticeable was the deceleration evident in the the jobless rate. The U.S. seasonally adjusted civilian unemployment rate held at 7.8% in March, unchanged from February. This was the first time in six months that the U.S. rate failed to decline.

In Oregon during the first two months of 1984 the economy displayed some exceptionally strong gains. January's wage and salary employment index, for example, a measure usually moving only a few tenths at a time, shot up nearly two full points. February's unemployment rate, seasonally adjusted, dove a full point to 8.8% of the labor force. Then the story changed. March's offering came in a spirit of moderation breaking the earlier "spiking" tendency. Employment expanded some more, but at a decelerated pace. And the seasonally adjusted unemployment rate edged back up .4 to 9.2% in March. Although the number of unemployed dipped 1,000 in March to 140,000, a reduction of about 6,000 more would have been necessary to sustain the 8.8% rate shown in February.

On the employment side of the picture mostly positive results were evident. At 106.1 in March the nonfarm employment index



## RESIDENT OREGON LABOR FORCE

|  | 1/ Mar. 1984 | 2/ Feb. 1984 | Change | % Change | 5/ Mar. 1983 |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,303,300 | 1,293,200 | 10,100 | +0.8 | 1,322,600 |
| Unemployment | 140,000 | 141,000 | - 1,000 | -0.7 | 170,700 |
| Percent of Labor Force | 10.7 | 10.9 | xxx | xxx | 12.9 |
| Seasonally Adjusted Percent | 9.2 | 8.8 | xxx | xxx | 11.7 |
| Total Employment 4/ | 1,163,300 | 1,152,200 | 11,100 | 1.0 | 1,151,900 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

|  |  |  |  | Change From |  |
|---|---|---|---|---|---|
| INDUSTRY | 1/ Mar. 1984 | 2/ Feb. 1984 | Mar. 1983 | Feb. 1984 | Mar. 1983 |
| TOTAL 3/ | 980,000 | 972,200 | 940,100 | 7,800 | 39,900 |
| Wage & Salary Employment Index 4/ | 106.1 | 106.0 | 101.6 | xxx | xxx |
| Diffusion Index 5/ | 64.7 | 62.8 | 53.5 | xxx | xxx |
| Total Manufacturing | 191,500 | 189,500 | 178,100 | 2,000 | 13,400 |
| Durable Goods | 140,000 | 138,600 | 128,200 | 1,400 | 11,800 |
| Lumber & Wood Products | 64,000 | 63,300 | 57,200 | 700 | 6,800 |
| Logging & Sawmills | 32,600 | 32,200 | 29,900 | 400 | 2,700 |
| Veneer & Plywood | 17,400 | 17,400 | 16,900 | 0 | 500 |
| Millwork & Structural Wood | 8,400 | 8,200 | 6,000 | 200 | 2,400 |
| Mobile Homes | 1,700 | 1,700 | 1,300 | 0 | 400 |
| Other Wood Products | 3,900 | 3,800 | 3,100 | 100 | 800 |
| Furniture & Fixtures | 2,300 | 2,300 | 2,300 | 0 | 0 |
| Stone, Clay, Glass, & Concrete | 2,900 | 2,900 | 2,800 | 0 | 100 |
| Primary Metals | 8,600 | 8,400 | 7,200 | 200 | 1,400 |
| Blast Furnaces, Iron & Steel | 4,600 | 4,500 | 3,900 | 100 | 700 |
| Nonferrous Metals | 4,000 | 3,900 | 3,300 | 100 | 700 |
| Fabricated Metals | 9,800 | 9,600 | 8,700 | 200 | 1,100 |
| Fabricated Structural Metals | 4,400 | 4,200 | 3,700 | 200 | 700 |
| Other Fabricated Metals | 5,400 | 5,400 | 5,000 | 0 | 400 |
| Machinery | 15,500 | 15,400 | 15,000 | 100 | 500 |
| Electrical Equipment & Supplies | 11,700 | 11,500 | 9,900 | 200 | 1,800 |
| Transportation Equipment | 8,200 | 8,300 | 7,400 | - 100 | 800 |
| Instruments & Related Products | 14,500 | 14,400 | 15,500 | 100 | - 1,000 |
| Miscellaneous Manufacturing | 2,500 | 2,500 | 2,200 | 0 | 300 |
| Nondurable Goods | 51,500 | 50,900 | 49,900 | 600 | 1,600 |
| Food & Kindred Products | 21,200 | 20,800 | 20,900 | 400 | 300 |
| Canning & Preserving | 11,400 | 10,800 | 11,400 | 600 | 0 |
| Other Food Products | 9,800 | 10,000 | 9,500 | - 200 | 300 |
| Textile Mill Products | 1,700 | 1,700 | 1,700 | 0 | 0 |
| Apparel | 2,700 | 2,700 | 2,600 | 0 | 100 |
| Paper & Allied Products | 9,300 | 9,300 | 9,300 | 0 | 0 |
| Printing & Publishing | 10,700 | 10,600 | 10,200 | 100 | 500 |
| Chemicals & Allied Products | 2,200 | 2,200 | 2,000 | 0 | 200 |
| Petroleum Refining | 500 | 500 | 500 | 0 | 0 |
| Rubber & Plastic Products | 2,700 | 2,600 | 2,300 | 100 | 400 |
| Leather Products | 500 | 500 | 400 | 0 | 100 |

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | Mar. 1984 | Feb. 1984 | Mar. 1983 | Change From Feb. 1984 | Change From Mar. 1983 |
|---|---|---|---|---|---|
| (cont.) | | | | | |
| Total Nonmanufacturing | 788,500 | 782,700 | 762,000 | 5,800 | 26,500 |
| Mining & Quarrying | 1,700 | 1,600 | 1,400 | 100 | 300 |
| Construction | 23,200 | 23,500 | 22,300 | - 300 | 900 |
| Transportation, Communications, & Utilities | 55,600 | 55,800 | 54,600 | - 200 | 1,000 |
| Transportation | 32,600 | 32,700 | 30,600 | - 100 | 2,000 |
| Railroad | 5,400 | 5,400 | 5,300 | 0 | 100 |
| Trucking & Warehousing | 16,700 | 16,800 | 15,400 | - 100 | 1,300 |
| Other Transportation | 10,500 | 10,500 | 9,900 | 0 | 600 |
| Communications | 14,700 | 14,800 | 15,200 | - 100 | - 500 |
| Utilities | 8,300 | 8,300 | 8,800 | 0 | - 500 |
| Trade | 244,700 | 242,700 | 231,600 | 2,000 | 13,100 |
| Wholesale Trade | 62,700 | 62,300 | 60,700 | 400 | 2,000 |
| Durable Goods | 37,100 | 36,900 | 35,700 | 200 | 1,400 |
| Nondurable Goods | 25,600 | 25,400 | 25,000 | 200 | 600 |
| Retail Trade | 182,000 | 180,400 | 170,900 | 1,600 | 11,100 |
| General Merchandise | 23,500 | 24,100 | 22,600 | - 600 | 900 |
| Food Stores | 28,100 | 28,200 | 25,800 | - 100 | 2,300 |
| Auto Dealers & Service Stations | 23,300 | 22,800 | 20,800 | 500 | 2,500 |
| Other Retail Trade | 107,100 | 105,300 | 101,700 | 1,800 | 5,400 |
| Finance, Insurance, & Real Estate | 65,800 | 65,200 | 63,300 | 600 | 2,500 |
| Banking & Credit Agencies | 23,500 | 23,300 | 23,400 | 200 | 100 |
| Other Finance, Insurance, & Real Estate | 42,300 | 41,900 | 39,900 | 400 | 2,400 |
| Services | 198,100 | 195,600 | 191,400 | 2,500 | 6,700 |
| Hotels & Personal Services | 23,000 | 22,600 | 22,500 | 400 | 500 |
| Health Services | 67,800 | 67,300 | 65,700 | 500 | 2,100 |
| Other Services | 107,300 | 105,700 | 103,200 | 1,600 | 4,100 |
| Government | 199,400 | 198,300 | 197,400 | 1,100 | 2,000 |
| Federal Government | 28,800 | 28,800 | 28,100 | 0 | 700 |
| State Government | 53,100 | 52,800 | 52,100 | 300 | 1,000 |
| Education | 23,200 | 23,300 | 22,800 | - 100 | 400 |
| Other State | 29,900 | 29,500 | 29,300 | 400 | 600 |
| Local Government | 117,500 | 116,700 | 117,200 | 800 | 300 |
| Education | 76,400 | 76,000 | 76,000 | 400 | 400 |
| Other Local | 41,100 | 40,700 | 41,200 | 400 | - 100 |
| Labor-Management Disputes | 900 | 900 | 200 | 0 | 700 |

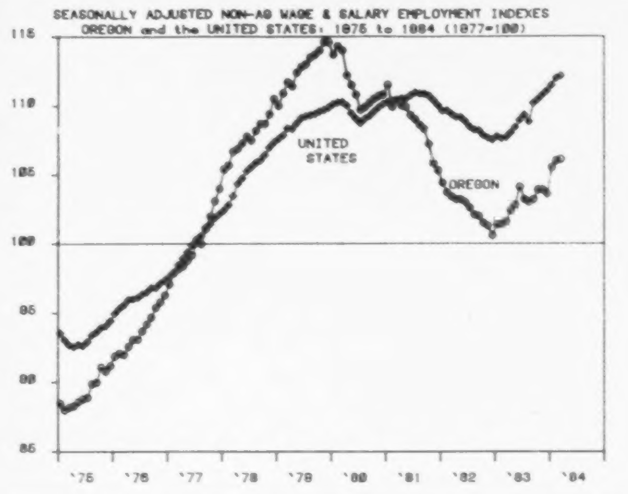
1/ Preliminary

2/ Revised

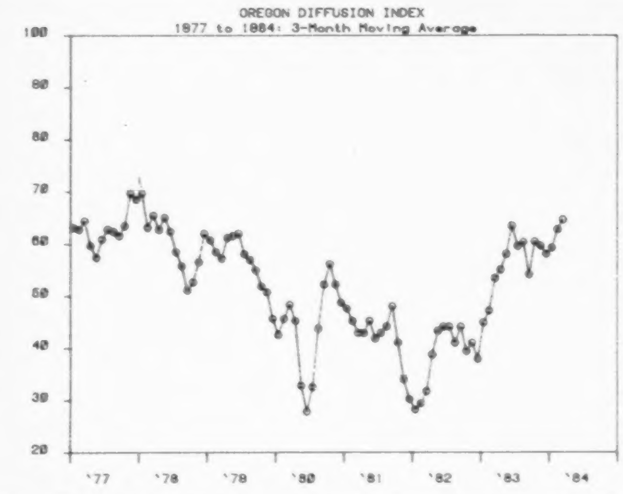
3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.



was up 0.1 over the month indicating expansion in the job count, just much less expansion than was evident in some earlier months. More encouraging was the diffusion index, a precursor of future economic performance, which moved to 64.7 in March from 62.8 in February.



The important goods producing or manufacturing industries again offered solid support to the economic recovery under way in Oregon. Lumber and wood products manufacturers added 700 workers in March, a month when almost no change was expected. Bucking the wet weather, spurred on by steady prices for most wood products, and banking on hope for the months ahead, wood products employment stacked up favorably in March. At 64,000 employment, this vitally important sector of the state's economy now stands at 75% of the pre-recessionary peak of 85,100 - a total that will probably not be reached again. Retrenchments created by the recession, the demise of antiquated mills, high transportation costs, competition from the south and Canada, and declining availability of old growth timber have all taken their toll on the wood products producers in Oregon and the Northwest. Nevertheless, even though the lumber and wood employment total is off the earlier mark, it is well above the recessionary low of 51,700 in January 1982.

Elsewhere in durable goods small but steady employment gains again typified the scene. With the lone exception of instruments and related products all sectors of durable goods are above the year ago figure and have been for some time. Not to leave the instruments portion out in the cold, the annual deficit in that sector has begun to narrow in recent months.

The job gains in durable goods are especially encouraging to see since this sector is generally slow to move and is dependent on large capital investment. It is also an industrial conglomerate that sets the pace for much of the rest of the state's economy. The gains are further signals that the economy is on the mend.

In nondurable goods manufacturing the dominant food and kindred products sector showed the strongest change due to the addition of 600 workers in canning and preserving. Repackaging and potato processing account for most of the upturn.

Construction employment, though 900 above the year ago figure, is only slowly starting to build in Oregon. Over the month employment went down 300 when it should have been going up (under normal seasonal trends) by about 1,000. At the heart of the state's home building dilemma is: (a) the recent recession which drove thousands out of the state seeking jobs and created a surplus of vacant homes (b) the cost of new home construction (c) concern over the future by the lending institutions and (d) the weather. From the list only the weather is likely to change soon which may allow some additional work, but may not be enough to create any real momentum.

Trade employment advanced 2,000 in March and shows a 13,100 (5.7%) "better than average" gain over last year's data. Jobs are increasingly available in the trade industries, particularly in the retail portion. For many workers 1984 offers a stability missing in recent years. One specific example of the improving economy is in the auto sector where sales are nearly double that of year ago levels.

The month to month gains posted in services (+2,500) were widespread throughout the industry. Business services employment has responded to the ever improving economic climate with the addition of more and more workers. Hotels and personal services have shown expansion, too, as people seek out more recreational pursuits. Economic stability and job security can be expected to further these pursuits for leisure.

Government employment, meanwhile, has been largely lacklustre. Coping with tight budgets government generally is lagging and is not expected to keep up with the rest of the economy.

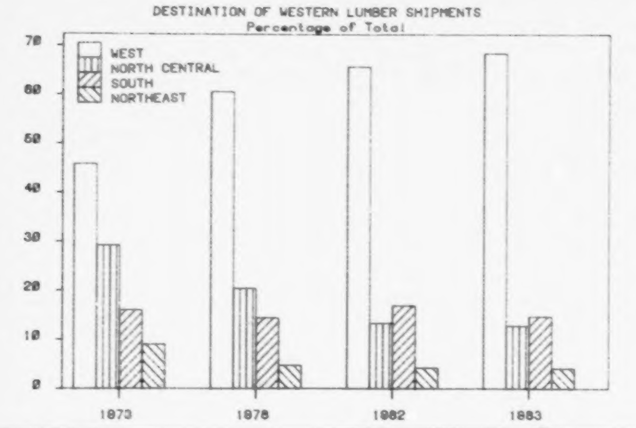
Overall, March's economic statistics showed a tempering effect following several months of solid-to-substantial improvement. The change is less an indication the economy might be shifting direction and more indicative of the fact that any one month's data can be misleading. January and February showed signs of an exceptionally strong recovery in progress. March pointed to very mild improvement. The actual path of Oregon's economy is somewhere in between along a trail of continued moderate gains - a favorable direction to follow in 1984.□

# WESTERN LUMBER STAYS CLOSER TO HOME

*Ken Rocco*

According to the Western Wood Products Association, domestic shipments of western softwood production increased 26% in 1983, from 12.6 billion board feet in 1982 to 15.9 billion board feet last year. The Western shipments comprised an overall 41% of the market with the West followed by Canada and the South as leading producers.

Despite the fact that Western softwood was shipped to every state last year, the long-term trend of Western wood being supplanted by other suppliers in the mid-West, East, and South continued in 1983. Back in 1973 the Northeast, North Central, and South received 54% of all Western wood produced and shipped. By 1978 the proportion of Western wood shipped east dropped to 40%. Last year only 32% of all Western wood was shipped to non-Western states. The market loss is largely due to the import of competitively priced Canadian lumber and the increased output of Southern Yellow Pine products.



The continuation of this trend toward Western wood being used in Western states should be taken into consideration when looking at housing start statistics and their relationship to economic conditions in Oregon. At one time, when housing starts nationwide went up, Oregon's economic picture brightened considerably. Last year, even though housing starts jumped strongly, a parallel increase in Oregon's economic situation was not as evident. The reason is that the bulk of these starts were coming in areas of the country where suppliers of wood other than Oregon mills had captured the market. If housing start statistics show growth due to building in the South, North Central, and Northeast, the economic impact on Oregon will not be as strong or as direct as it once was.

Housing starts in 1983 showed their greatest percentage improvement in the West, up by 86% over 1982. The total number of new starts was up by 176,600 to 382,000. Since nationwide starts rose by 632,300, the west's share of the new starts in 1983 was 28%. The South saw a 58% increase over 1982 for a gain of 345,000 units, or 55% of the gain nationally. Total Southern starts numbered 936,000 which also accounts for 55% of the total U.S. housing starts. The Northeast and North Central each had gains in 1983 of roughly 45%. The table shows the number of starts for 1982 and 1983 by region.

Housing forecasts for 1984 indicate that starts should range up to a rate of 1.8 or 1.9 million units in the first half of the year before slipping to 1.6 million by year end. The average for the year should be slightly higher than 1983's 1.7 million units. Regional patterns of starts are not expected to differ significantly from 1983. Since the Western states bought 68% of all Western produced lumber last year, it is apparent that the Western producers' future lies closer to home. California was the recipient of 29% of all Western wood produced in 1983 followed by Oregon with 13%. Washington received 8% and all of the other Western states combined for another 18% of the total production.

Even though housing starts jumped strongly in 1983, up 60% over the recession year of 1982, and will remain up at least through 1984, wood products consumption has not enjoyed the same trend. Per unit wood consumption is on the decline due to the down-sizing of single family homes and the jump in the number of multi-family units and condominiums being built.An additional factor is that the typical western home tends to be smaller than the national average. Housing is by far the most important single user of wood products, but captures only roughly 40% of lumber and wood production. The remainder goes for export, nonresidential new construction, industrial use, repair, and remodeling work.

The long-term trend for Western producers looks more promising despite the disruption of past market advantages. Canadian production will run into shipping and availability problems eventually. The farther north cutting occurs, the lower the timber quality and the farther away the timber is from market. In the short-term lumber imports from Canada are expected to increase, however. Last year Canadian lumber imports totaled approximately 11.5 billion board feet, up nearly one-third from

Housing Starts by Region
(THOUSANDS)

| | South | West | North Central | Northeast | U.S. Total |
|---|---|---|---|---|---|
| 1982 Starts | 591.0 | 205.4 | 149.1 | 116.7 | 1,062.2 |
| % of U.S. | 55.6% | 19.3% | 14.0% | 11.0% | 100.0% |
| 1983 Starts | 936.0 | 382.0 | 217.4 | 167.7 | 1,703.1 |
| % of U.S. | 55.0% | 22.4% | 12.8% | 9.8% | 100.0% |
| 82-83 % Change | 58.4% | 86.0% | 45.8% | 43.7% | 60.3% |
| Region as % of U.S. Change | 53.8% | 27.6% | 10.7% | 8.0% | 100.0% |

1982. There are also questions concerning the sustainability of Canadian lumber production since environmental conditions in the far north make replanting difficult.

Adding to the Northwest's short-term problem, Southern U.S. producers are expected to gain in market share for pulp, paper, plywood, fibreboard, and waferboard in the coming years. Many timber companies in the South are concentrating their efforts on producing fiber for paper, pulp, and recently developed plywood substitutes by replanting fast growing trees. Southern dimensional lumber is mainly produced from smaller private ownerships where replanting efforts do not meet harvest rates. Rising stumpage costs in the South are expected to eventually cut into the profit margins of producers thereby reducing that region's advantage. The Pacific Northwest's return to superior competitive advantage in lumber production given current conditions and trends is slated for early in the 21st century.

Each of the major divisions of the Northwest's forest products industry is facing challenges. The logging industry is faced with the pending resolution of the timber contract issue. The lumber industry is faced with finding new overseas markets for its products. The plywood industry is facing the challenge of fighting substitute products. Two products in particular, waferboard and oriented strand board, may compete with Northwest plywood which is already being forced to contend with the growing Southern Pine plywood industry. Waferboard is made from thin slices of logs bound by wax and resin which are then layered and made into panels under heat and pressure. Oriented strand board (OSB) is made by criss-crossing narrow strands of wood in layers and then binding them with resin. Production figures for 1983 are estimated at somewhere near 3 billion board feet in the U.S. and Canada. Another 2 billion board feet of capacity could be added by 1985 considering the number of plants being constructed. Plants are located in areas where large stands of fast growing forests can be found and in close proximity to the major consumers, currently the East and Midwest. More than three-fourths of all waferboard and OSB is used in sheathing and underlayment, the same uses that the bulk of plywood is geared toward. The biggest advantage to these plywood alternatives is in cost; claims of greater durability and strength are being contested by the plywood industry. ☐

## STATE UNEMPLOYMENT RATES

| State | 1983 Rank | 1983 | 1982 | Change |
|---|---|---|---|---|
| West Virginia | 1 | 18.0 | 13.9 | 4.1 |
| Michigan | 2 | 14.2 | 15.5 | -1.3 |
| Alabama | 3 | 13.7 | 14.4 | -0.7 |
| Mississippi | 4 | 12.6 | 11.0 | 1.6 |
| Ohio | 5 | 12.2 | 12.5 | -0.3 |
| Louisiana | 6 | 11.8 | 10.3 | 1.5 |
| Pennsylvania | 6 | 11.8 | 10.9 | 0.9 |
| Washington D. C. | 8 | 11.7 | 10.6 | 1.1 |
| Kentucky | 8 | 11.7 | 10.6 | 1.1 |
| Tennessee | 10 | 11.5 | 11.8 | -0.3 |
| Illinois | 11 | 11.4 | 11.3 | 0.1 |
| Washington | 12 | 11.2 | 12.1 | -0.9 |
| Indiana | 13 | 11.1 | 11.9 | -0.8 |
| **Oregon** | **14** | **10.8** | **11.5** | **-0.7** |
| Wisconsin | 15 | 10.4 | 10.7 | -0.3 |
| Alaska | 16 | 10.3 | 9.9 | 0.4 |
| Arkansas | 17 | 10.1 | 9.8 | 0.3 |
| New Mexico | 17 | 10.1 | 9.2 | 0.9 |
| South Carolina | 19 | 10.0 | 10.8 | -0.8 |
| Missouri | 20 | 9.9 | 9.2 | 0.7 |
| Idaho | 21 | 9.8 | 9.8 | 0.0 |
| Nevada | 21 | 9.8 | 10.1 | -0.3 |
| California | 23 | 9.7 | 9.9 | -0.2 |
| Utah | 24 | 9.2 | 7.8 | 1.4 |
| Arizona | 25 | 9.1 | 9.9 | -0.8 |
| Maine | 26 | 9.0 | 8.6 | 0.4 |
| Oklahoma | 26 | 9.0 | 5.7 | 3.3 |
| North Carolina | 28 | 8.9 | 9.0 | -0.1 |
| Montana | 29 | 8.8 | 8.6 | 0.2 |
| Florida | 30 | 8.6 | 8.2 | 0.4 |
| New York | 30 | 8.6 | 8.6 | 0.0 |
| Wyoming | 32 | 8.4 | 5.8 | 2.6 |
| Rhode Island | 33 | 8.3 | 10.2 | -1.9 |
| Minnesota | 34 | 8.2 | 7.8 | 0.4 |
| Delaware | 35 | 8.1 | 8.5 | -0.4 |
| Iowa | 35 | 8.1 | 8.5 | -0.4 |
| Texas | 37 | 8.0 | 6.9 | 1.1 |
| New Jersey | 38 | 7.8 | 9.0 | -1.2 |
| Georgia | 39 | 7.5 | 7.8 | -0.3 |
| Maryland | 40 | 6.9 | 8.4 | -1.5 |
| Massachusetts | 40 | 6.9 | 7.9 | -1.0 |
| Vermont | 40 | 6.9 | 6.9 | 0.0 |
| Colorado | 43 | 6.6 | 7.7 | -1.1 |
| Hawaii | 44 | 6.5 | 6.7 | -0.2 |
| Kansas | 45 | 6.1 | 6.3 | -0.2 |
| Virginia | 45 | 6.1 | 7.7 | -1.6 |
| Connecticut | 47 | 6.0 | 6.9 | -0.9 |

## EMPLOYERS' CORNER 'KNOW YOUR EMPLOYMENT DIVISION WEEK'

*Dorothy Monnier*

Once again through the efforts of the 600 employers associated with the Job Service Employer Committee's (JSEC's), government and business are working effectively together.

Governor Atiyeh will sign an official proclamation the end of April proclaiming May 6 thru May 12, 1984 as "KNOW YOUR EMPLOYMENT DIVISION week". All local Employment Division offices will be organizing various activities in response to the Governor's proclamation. The Job Service Employer Committees and other community organizations will be assisting with this promotion. A few of the activities and publicity planned are: Open Houses, Booths in Shopping Malls, Community Clean-up Projects, Newspaper, Television and Radio announcements.

The purpose of this week is to acquaint employers, applicants and claimants with all the services available to them. ☐

WATCH FOR FURTHER DETAILS IN YOUR LOCAL COMMUNITY ...... BECOME INVOLVED......

# HOURS & EARNINGS – EXPECTATIONS SPUR HIRING

*Mark Hunt*

The sustained economic recovery evident in Oregon has fostered growing anticipation that business will continue to improve. Though problems such as rising energy costs and persistently high interest rates will sometimes slow progress, the tunnel is getting shorter and the light at the end brighter. A good example of this improving trend is found in hours and earnings. In February the workweek average fell .6 to 38.7, while production worker employment rose 2,000. Feeling more secure about the future, employers are moving from a dependence on overtime work to hiring additional workers thus reducing the average workweek.

The forest products industry led the way in Oregon's recovery beginning last spring. Average weekly hours climbed to and then above the 40 hour workweek. During this time production worker employment did increase, but not nearly as dramatically as did weekly hours. The year 1984 is not likely to follow the same course. Production worker employment appears to be on the move, while the workweek average has slipped from year ago levels. In fact only Other Wood Products has countered this trend by posting an increase in both production worker employment and over-the-year change in weekly hours.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Feb. 2/ 1984 | Jan. 3/ 1984 | Feb. 1983 | Feb. 2/ 1984 | Jan. 3/ 1984 | Feb. 1983 | Feb. 2/ 1984 | Jan. 3/ 1984 | Feb. 1983 |
| TOTAL MANUFACTURING 4/ | $407.12 | $411.08 | $392.58 | 38.7 | 39.3 | 38.3 | $10.52 | $10.46 | $10.25 |
| Durable Goods | 416.30 | 421.74 | 407.29 | 39.2 | 39.9 | 39.2 | 10.62 | 10.57 | 10.39 |
| Lumber & Wood Products | 420.90 | 437.40 | 426.38 | 38.9 | 39.8 | 39.7 | 10.82 | 10.99 | 10.74 |
| Logging & Sawmills | 451.61 | 468.06 | 459.55 | 39.1 | 39.7 | 40.1 | 11.55 | 11.79 | 11.46 |
| Veneer & Plywood | 428.08 | 443.30 | 424.66 | 39.6 | 40.3 | 40.1 | 10.81 | 11.00 | 10.59 |
| Millwork & Struct Wood | 318.57 | 340.75 | 313.50 | 37.7 | 39.9 | 38.0 | 8.45 | 8.54 | 8.25 |
| Mobile Homes | 253.56 | 244.61 | 274.86 | 32.3 | 33.1 | 34.4 | 7.85 | 7.39 | 7.99 |
| Other Wood Products | 430.95 | 447.58 | 405.47 | 39.5 | 40.8 | 39.1 | 10.91 | 10.97 | 10.37 |
| Furniture & Fixtures | 265.44 | 261.46 | 247.68 | 33.9 | 34.0 | 34.4 | 7.83 | 7.69 | 7.20 |
| Primary Metals | 489.14 | 513.97 | 491.10 | 41.7 | 43.3 | 39.1 | 11.73 | 11.87 | 12.56 |
| Fabricated Metals | 378.02 | 388.68 | 370.63 | 38.3 | 39.5 | 37.1 | 9.87 | 9.84 | 9.99 |
| Machinery | 416.93 | 408.24 | 403.10 | 40.4 | 40.5 | 38.1 | 10.32 | 10.08 | 10.58 |
| Nondurable Goods | 378.42 | 378.75 | 351.91 | 37.1 | 37.5 | 35.8 | 10.20 | 10.10 | 9.83 |
| Food & Kindred Products | 318.62 | 312.12 | 295.68 | 35.8 | 36.0 | 33.6 | 8.90 | 8.67 | 8.80 |
| Canning & Preserving | 263.34 | 252.34 | 222.65 | 34.2 | 34.1 | 30.5 | 7.70 | 7.40 | 7.30 |
| Other Food Products | 396.62 | 399.25 | 396.43 | 38.1 | 38.8 | 37.9 | 10.41 | 10.29 | 10.46 |
| Textile Mill Products | 225.51 | 213.24 | 225.20 | 37.9 | 35.6 | 38.3 | 5.95 | 5.99 | 5.88 |
| Apparel | 221.13 | 212.14 | 200.39 | 40.5 | 38.5 | 36.5 | 5.46 | 5.51 | 5.49 |
| Paper & Allied Products | 559.47 | 559.08 | 515.44 | 40.6 | 41.2 | 40.3 | 13.78 | 13.57 | 12.79 |
| Printing & Publishing | 402.60 | 416.42 | 372.03 | 35.1 | 36.4 | 34.1 | 11.47 | 11.44 | 10.91 |
| Construction 4/ | 474.33 | 494.67 | 532.33 | 32.6 | 33.0 | 31.8 | 14.55 | 14.99 | 16.74 |
| Communications & Utilities 5/ | 482.49 | 514.80 | 441.90 | 39.1 | 40.0 | 38.9 | 12.34 | 12.87 | 11.36 |
| Trade 5/ | 281.39 | 283.40 | 273.70 | 33.3 | 33.9 | 33.5 | 8.45 | 8.36 | 8.17 |
| Wholesale Trade | 376.99 | 390.37 | 366.52 | 37.4 | 37.9 | 37.4 | 10.08 | 10.30 | 9.80 |
| Retail Trade | 235.06 | 232.96 | 226.49 | 31.3 | 32.0 | 31.5 | 7.51 | 7.28 | 7.19 |
| Banking & Insurance | 260.26 | 273.42 | 258.08 | | | | | | |
| State & Local Government | 318.89 | 320.11 | 306.15 | | | | | | |

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1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

Limitations must also be recognized. The Pacific Northwest is gradually moving toward diversification, with less reliance on its natural resources. Accordingly, Lumber and Wood Products employment can be expected to level off at some point. The outcome will be a return to traditional swings in production activity within this sector.

Joining up with recovery-minded forest products are a number of other manufacturing industries. The Other Durable sector is reporting downward pressure on weekly hours with the addition of new production workers. Workweek averages for Primary and Fabricated Metals fell by 1.6 and 1.2 hours, respectively. The resultant decline in overtime hours for Primary Metals also served to reduce hourly earning by $.14 in February. Lean inventories held by many of the metals manufacturers coupled with anticipated increases in capital spending has reinforced this optimistic outlook. Nationally, new orders for durable goods fell slightly in February, following rapid growth in earlier months. In Oregon, however, the decline was not as widespread. Heavy equipment producers of machinery were most affected. The net result was a modest .1 drop in weekly hours. Part of the reason for the slight drop in weekly hours is due to an upturn in selected high-tech oriented machinery manufacturers, which also pushed weekly earnings $.24 higher for the month.

Changing market demands are buffeting Oregon's Food and Kindred Products manufacturers. These changing demands are not all negative though. Increased demand for potatoes has many processors running strong. Coupled with a higher level of "repack", average weekly hours were 3.7 ahead of year ago levels in Canning and Preserving. Hourly earnings have also jumped by $.30 for February and $.40 over the year due to increased overtime. Falling production activity for sugar, meat, and grain processors combined to push the Other Food Products workweek average .7 hours lower.

Elsewhere, Other Nondurable Goods reflects healthier Textile and Apparel sectors. In each, the workweek average has shown indications of being on the mend. Textile manufacturers in Oregon are heavily reliant on wool so the recent return to this basic fiber is certainly helping. And with an improving economy more individuals are turning to recreational pursuits. The result is an increase in demand for recreational type apparel, where the average workweek for February is now a healthy 40.5 or 4.0 hours above year ago levels.

Construction continues to be mired in an over-supply of homes, too few eligible buyers, and foul weather. Weekly hours edged .4 lower in February. Declining overtime hours also pushed Construction average hourly earnings $.44 lower for the month. The health of Oregon's Construction industry has been leaning heavily on improvements and repair to the bridge and road system this past year. By nature this activity is extremely dependent on weather ... and funding. The funds are there through increases in state and federal surface fuel taxes so now its up to the weather.

Both Wholesale and Retail Trade activity settled lower according to average weekly hours reported for February. The normal downturn was delayed by strong post-holiday buying. While consumers have now eased up on buying, they are still going strong in comparison to recent years. Retail Trade non-supervisory employment is 7,600 above year ago levels. The influx of new employees has the workweek average low by comparison to earlier years. Yet, the improving job picture has added confidence to most households and the current level of activity may well be a breathing spell before another push this spring.

Oregon's economy is subject to many variables. Slower growth nationally could be a positive factor --if it serves to hold down interest rates by lessening the demand on the available money supply. If not, interest rates may climb again and stifle the economic strides made thus far. To increase production by hiring more workers is only cost effective if business continues to improve. That will be the true test of our expectations.☐

## OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1983 Benchmark
March 1984 (Rev.)

## OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1983 1/

| | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CIVILIAN LABOR FORCE | 1,337.0 | 1,310.0 | 1,315.2 | 1,322.6 | 1,330.9 | 1,344.7 | 1,379.2 | 1,352.1 | 1,347.7 | 1,343.2 | 1,339.4 | 1,331.2 | 1,327.8 |
| UNEMPLOYMENT | 145.0 | 180.5 | 177.8 | 170.7 | 159.3 | 154.9 | 140.5 | 138.7 | 128.6 | 117.3 | 116.8 | 123.3 | 131.6 |
| Percent of Labor Force 2/ | 10.8 | 13.8 | 13.5 | 12.9 | 12.0 | 11.5 | 10.2 | 10.3 | 9.5 | 8.7 | 8.7 | 9.3 | 9.9 |
| Seasonally Adjusted Percent | 10.8 | 12.0 | 11.8 | 11.7 | 11.4 | 11.4 | 10.5 | 11.0 | 10.7 | 10.3 | 10.0 | 9.6 | 9.5 |
| TOTAL EMPLOYMENT | 1,192.0 | 1,129.5 | 1,137.4 | 1,151.9 | 1,171.6 | 1,189.8 | 1,238.7 | 1,213.4 | 1,219.1 | 1,225.9 | 1,222.6 | 1,207.9 | 1,196.2 |

## OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1983 3/ **

| | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL WAGE AND SALARY | 963.6 | 929.7 | 931.9 | 940.1 | 952.6 | 963.6 | 988.9 | 963.1 | 965.4 | 984.2 | 989.0 | 982.4 | 976.4 |
| Wage & Salary Empl. Index (1977=100) 4/ | 102.9 | 101.4 | 101.4 | 101.6 | 102.4 | 102.8 | 104.1 | 103.2 | 103.0 | 103.2 | 103.9 | 103.9 | 103.6 |
| Diffusion Index 5/ | 56.3 | 45.0 | 47.3 | 53.5 | 55.1 | 58.1 | 63.5 | 59.6 | 60.4 | 54.2 | 60.5 | 59.7 | 58.1 |
| MANUFACTURING, TOTAL | 187.0 | 176.3 | 176.1 | 178.1 | 179.5 | 182.2 | 192.8 | 191.7 | 197.0 | 198.6 | 195.5 | 189.4 | 186.3 |
| Durable Goods | 133.7 | 126.3 | 126.6 | 128.2 | 129.8 | 131.8 | 137.2 | 138.0 | 138.4 | 138.2 | 137.2 | 136.5 | 135.6 |
| Lumber & Wood Products | 62.0 | 54.7 | 56.0 | 57.2 | 58.8 | 60.9 | 65.1 | 65.8 | 66.7 | 66.3 | 65.5 | 63.9 | 63.2 |
| Logging & Sawmills | 32.1 | 28.2 | 29.3 | 29.9 | 30.2 | 31.6 | 34.3 | 34.4 | 34.8 | 34.5 | 33.5 | 32.5 | 31.9 |
| Veneer & Plywood | 17.5 | 16.6 | 16.7 | 16.9 | 17.3 | 17.3 | 17.8 | 18.3 | 18.3 | 18.0 | 18.0 | 17.6 | 17.4 |
| Millwork & Structural Wood | 7.4 | 5.7 | 5.8 | 6.0 | 6.7 | 7.1 | 7.7 | 7.9 | 8.1 | 8.3 | 8.3 | 8.3 | 8.4 |
| Mobile Homes | 1.5 | 1.2 | 1.1 | 1.3 | 1.4 | 1.5 | 1.6 | 1.5 | 1.7 | 1.7 | 1.8 | 1.7 | 1.7 |
| Other Wood Products | 3.5 | 3.0 | 3.1 | 3.1 | 3.2 | 3.4 | 3.7 | 3.7 | 3.8 | 3.8 | 3.9 | 3.8 | 3.8 |
| Furniture & Fixtures | 2.3 | 2.2 | 2.2 | 2.3 | 2.4 | 2.4 | 2.4 | 2.5 | 2.5 | 2.4 | 2.3 | 2.3 | 2.2 |
| Stone, Clay, Glass & Concrete Prod. | 3.1 | 2.8 | 2.7 | 2.8 | 2.9 | 3.0 | 3.2 | 3.3 | 3.3 | 3.4 | 3.3 | 3.1 | 2.9 |
| Primary Metals | 7.4 | 7.0 | 7.1 | 7.2 | 7.2 | 7.3 | 7.4 | 7.5 | 7.8 | 7.4 | 7.6 | 7.8 | 8.0 |
| Blast Furnaces, Iron & Steel Found. | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 4.0 | 4.1 | 3.7 | 3.8 | 3.9 | 4.1 |
| Nonferrous Metals | 3.5 | 3.1 | 3.2 | 3.3 | 3.3 | 3.4 | 3.5 | 3.5 | 3.7 | 3.7 | 3.8 | 3.9 | 3.9 |
| Fabricated Metals | 9.3 | 9.0 | 8.8 | 8.7 | 8.7 | 8.9 | 9.4 | 9.6 | 9.7 | 9.9 | 9.7 | 9.6 | 9.3 |
| Fabricated Structural Metals | 4.1 | 3.7 | 3.7 | 3.7 | 3.7 | 3.9 | 4.2 | 4.4 | 4.4 | 4.5 | 4.3 | 4.2 | 4.0 |
| Other Fabricated Metals | 5.2 | 5.3 | 5.1 | 5.0 | 5.0 | 5.0 | 5.2 | 5.2 | 5.3 | 5.4 | 5.4 | 5.4 | 5.3 |
| Machinery | 15.0 | 15.0 | 15.0 | 15.0 | 15.1 | 14.9 | 15.1 | 15.0 | 15.0 | 14.9 | 14.9 | 15.0 | 15.0 |
| Electrical Equipment & Supplies | 10.5 | 10.0 | 9.8 | 9.9 | 10.2 | 10.3 | 10.4 | 10.4 | 10.7 | 10.9 | 10.9 | 11.1 | 11.3 |
| Transportation Equipment | 7.0 | 7.4 | 7.0 | 7.4 | 7.1 | 7.0 | 7.3 | 7.1 | 6.1 | 6.4 | 6.5 | 7.1 | 7.0 |
| Instruments & Related Products | 14.8 | 16.1 | 15.8 | 15.5 | 15.2 | 14.9 | 14.6 | 14.4 | 14.2 | 14.2 | 14.2 | 14.2 | 14.3 |
| Miscellaneous Manufacturing | 2.3 | 2.1 | 2.2 | 2.2 | 2.2 | 2.2 | 2.3 | 2.4 | 2.4 | 2.4 | 2.3 | 2.4 | 2.4 |
| Nondurable Goods | 53.3 | 50.0 | 49.5 | 49.9 | 49.7 | 50.4 | 55.6 | 53.7 | 58.6 | 60.4 | 58.3 | 52.9 | 50.7 |
| Food & Kindred Products | 23.8 | 20.8 | 20.5 | 20.9 | 20.9 | 21.1 | 26.1 | 24.3 | 28.9 | 30.6 | 28.6 | 23.0 | 20.4 |
| Canning and Preserving | 13.8 | 10.8 | 10.7 | 11.4 | 11.3 | 11.4 | 16.1 | 14.2 | 19.0 | 20.3 | 18.1 | 12.5 | 10.3 |
| Other Food Products | 10.0 | 10.0 | 9.8 | 9.5 | 9.6 | 9.7 | 10.0 | 10.1 | 9.9 | 10.3 | 10.5 | 10.5 | 10.1 |
| Textile Mill Products | 1.7 | 1.8 | 1.7 | 1.7 | 1.6 | 1.6 | 1.6 | 1.4 | 1.6 | 1.7 | 1.7 | 1.7 | 1.8 |
| Apparel | 2.5 | 2.5 | 2.5 | 2.6 | 2.5 | 2.5 | 2.5 | 2.2 | 2.4 | 2.5 | 2.5 | 2.5 | 2.6 |
| Paper & Allied Products | 9.3 | 9.5 | 9.3 | 9.3 | 9.2 | 9.2 | 9.4 | 9.5 | 9.5 | 9.2 | 9.1 | 9.3 | 9.5 |
| Printing & Publishing | 10.4 | 10.3 | 10.3 | 10.2 | 10.1 | 10.3 | 10.2 | 10.4 | 10.4 | 10.5 | 10.5 | 10.6 | 10.6 |
| Chemicals & Allied Products | 2.1 | 2.0 | 2.0 | 2.0 | 2.1 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| Petroleum Refining | 0.5 | .5 | .5 | .5 | .5 | .5 | .5 | .6 | .5 | .6 | .6 | .5 | .5 |
| Rubber & Plastic Products | 2.5 | 2.2 | 2.3 | 2.3 | 2.4 | 2.5 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| Leather Products | 0.5 | .4 | .4 | .4 | .4 | .5 | .5 | .5 | .5 | .5 | .5 | .5 | .5 |

1983 CONT.

| | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NONMANUFACTURING, TOTAL | 776.6 | 753.4 | 755.8 | 762.0 | 773.1 | 781.4 | 796.1 | 771.4 | 768.4 | 785.6 | 793.5 | 793.0 | 790.1 |
| Mining & Quarrying | 1.6 | 1.3 | 1.4 | 1.4 | 1.4 | 1.6 | 1.8 | 1.8 | 1.9 | 1.8 | 1.8 | 1.5 | 1.6 |
| Construction | 26.4 | 23.0 | 22.3 | 22.3 | 23.9 | 25.3 | 27.6 | 28.8 | 29.9 | 30.6 | 30.1 | 27.9 | 25.5 |
| Transp., Comm. & Utilities | 54.9 | 54.2 | 54.4 | 54.6 | 54.7 | 55.1 | 55.9 | 56.1 | 50.7 | 56.5 | 56.0 | 55.7 | 55.5 |
| Transportation | 31.7 | 30.2 | 30.4 | 30.6 | 30.8 | 31.2 | 31.9 | 32.3 | 32.4 | 33.1 | 32.7 | 32.4 | 32.2 |
| Railroad | 5.3 | 5.3 | 5.3 | 5.3 | 5.4 | 5.4 | 5.4 | 5.4 | 5.3 | 5.4 | 5.2 | 5.2 | 5.1 |
| Trucking & Warehousing | 16.5 | 15.1 | 15.3 | 15.4 | 15.6 | 16.1 | 16.7 | 17.3 | 17.5 | 17.5 | 17.3 | 17.3 | 17.1 |
| Other Transportation | 9.9 | 9.8 | 9.8 | 9.9 | 9.8 | 9.7 | 9.8 | 9.6 | 9.6 | 10.2 | 10.2 | 9.9 | 10.0 |
| Communications | 14.6 | 15.3 | 15.3 | 15.2 | 15.1 | 15.1 | 15.2 | 15.1 | 9.7 | 14.9 | 14.9 | 14.9 | 14.9 |
| Utilities | 8.6 | 8.7 | 8.7 | 8.8 | 8.8 | 8.8 | 8.8 | 8.7 | 8.6 | 8.5 | 8.4 | 8.4 | 8.4 |
| Trade | 242.2 | 230.3 | 228.8 | 231.6 | 236.3 | 240.2 | 246.3 | 246.4 | 247.6 | 249.6 | 247.9 | 250.8 | 252.4 |
| Wholesale Trade | 62.0 | 60.1 | 60.1 | 60.7 | 60.7 | 61.4 | 62.5 | 62.5 | 62.9 | 63.7 | 63.5 | 63.6 | 62.9 |
| Durable Goods | 36.5 | 35.4 | 35.4 | 35.7 | 36.1 | 36.5 | 37.0 | 37.0 | 36.9 | 37.2 | 37.1 | 37.1 | 36.9 |
| Nondurable Goods | 25.5 | 24.7 | 24.7 | 25.0 | 24.6 | 24.9 | 25.5 | 25.5 | 26.0 | 26.5 | 26.4 | 26.5 | 26.0 |
| Retail Trade | 180.2 | 170.2 | 168.7 | 170.9 | 175.6 | 178.8 | 183.8 | 183.9 | 184.7 | 185.9 | 184.4 | 187.2 | 189.5 |
| General Merchandise | 24.0 | 23.9 | 23.1 | 22.6 | 22.9 | 22.8 | 23.3 | 23.6 | 23.8 | 23.9 | 24.3 | 26.4 | 27.8 |
| Food Stores | 27.6 | 25.9 | 25.7 | 25.8 | 27.2 | 27.6 | 28.3 | 28.8 | 28.6 | 28.2 | 28.3 | 28.6 | 28.7 |
| Auto Dealers & Services Stations | 22.1 | 20.4 | 20.5 | 20.8 | 21.3 | 21.8 | 22.4 | 22.7 | 23.0 | 23.1 | 23.1 | 23.1 | 22.9 |
| Other Retail Trade | 106.5 | 100.0 | 99.4 | 101.7 | 104.2 | 106.6 | 109.8 | 108.8 | 109.3 | 110.7 | 108.7 | 109.1 | 110.1 |
| Finance, Ins. & Real Estate | 64.7 | 62.6 | 62.6 | 63.3 | 64.1 | 64.4 | 65.5 | 66.2 | 66.1 | 66.0 | 65.4 | 65.5 | 65.5 |
| Banking & Credit Agencies | 23.4 | 23.4 | 23.3 | 23.4 | 23.3 | 23.2 | 23.4 | 23.5 | 23.6 | 23.6 | 23.4 | 23.5 | 23.6 |
| Other Finance, Ins. & Real Estate | 41.3 | 39.2 | 39.3 | 39.9 | 40.8 | 41.2 | 42.1 | 42.7 | 42.5 | 42.4 | 42.0 | 42.0 | 41.9 |
| Services | 193.9 | 187.1 | 189.8 | 191.4 | 194.5 | 195.2 | 197.2 | 195.7 | 195.8 | 196.7 | 195.8 | 193.6 | 193.7 |
| Hotels & Personal Services | 23.1 | 22.1 | 22.0 | 22.5 | 23.5 | 23.4 | 23.9 | 24.1 | 23.8 | 23.5 | 23.2 | 22.6 | 22.3 |
| Health Services | 66.6 | 65.2 | 65.4 | 65.7 | 66.3 | 66.1 | 67.1 | 67.4 | 67.8 | 67.8 | 67.3 | 66.5 | 66.6 |
| Other Services | 104.2 | 99.8 | 102.4 | 103.2 | 104.7 | 105.7 | 106.2 | 104.2 | 104.2 | 105.4 | 105.3 | 104.5 | 104.8 |
| Government | 192.9 | 194.9 | 196.5 | 197.4 | 198.2 | 199.6 | 201.8 | 176.4 | 176.4 | 184.4 | 196.5 | 198.0 | 195.9 |
| Federal | 29.2 | 28.1 | 27.9 | 28.1 | 28.3 | 29.1 | 30.3 | 30.5 | 30.3 | 30.2 | 29.7 | 29.1 | 29.2 |
| State Government | 51.9 | 51.7 | 52.2 | 52.1 | 52.6 | 52.7 | 54.1 | 49.2 | 49.5 | 49.5 | 53.7 | 53.1 | 51.8 |
| Education | 21.5 | 22.5 | 22.9 | 22.8 | 22.6 | 22.6 | 22.4 | 17.7 | 17.4 | 17.7 | 23.0 | 23.2 | 22.7 |
| Other State | 30.4 | 29.2 | 29.3 | 29.3 | 30.0 | 30.1 | 31.7 | 31.5 | 32.1 | 31.8 | 30.7 | 29.9 | 29.1 |
| Local Government | 111.8 | 115.1 | 116.4 | 117.2 | 117.3 | 117.8 | 117.4 | 96.7 | 96.6 | 104.7 | 113.1 | 115.8 | 114.9 |
| Education | 69.9 | 73.5 | 75.3 | 76.0 | 75.5 | 75.9 | 74.3 | 52.8 | 52.8 | 62.8 | 71.8 | 74.5 | 74.0 |
| Other Local | 41.9 | 41.6 | 41.1 | 41.2 | 41.8 | 41.9 | 43.1 | 43.9 | 43.8 | 41.9 | 41.3 | 41.3 | 40.9 |
| LABOR-MANAGEMENT DISPUTES | 1.3 | .0 | .0 | .2 | .2 | .5 | .7 | .7 | 6.9 | 2.5 | 1.4 | 1.4 | 1.4 |

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ This figure based on unrounded data.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1983 Benchmark
March 1984 (Rev.)

## OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1982 1/

| | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CIVILIAN LABOR FORCE | 1,324.0 | 1,300.1 | 1,306.8 | 1,318.2 | 1,323.2 | 1,336.8 | 1,357.4 | 1,336.6 | 1,322.3 | 1,332.2 | 1,320.0 | 1,320.9 | 1,313.4 |
| UNEMPLOYMENT | 153.0 | 162.5 | 166.6 | 166.1 | 160.9 | 155.4 | 150.3 | 142.4 | 140.4 | 137.0 | 138.4 | 154.9 | 161.1 |
| Percent of Labor Force 2/ | 11.5 | 12.5 | 12.7 | 12.6 | 12.2 | 11.6 | 11.1 | 10.7 | 10.6 | 10.3 | 10.5 | 11.7 | 12.3 |
| Seasonally Adjusted Percent | 11.5 | 10.8 | 11.2 | 11.5 | 11.6 | 11.6 | 11.4 | 11.3 | 11.7 | 11.8 | 11.8 | 12.1 | 11.9 |
| TOTAL EMPLOYMENT | 1,171.0 | 1,137.6 | 1,140.2 | 1,152.1 | 1,162.3 | 1,181.4 | 1,207.1 | 1,194.2 | 1,181.9 | 1,195.2 | 1,181.6 | 1,166.0 | 1,152.3 |

## OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1982 3/ **

| | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TOTAL WAGE AND SALARY | 960.8 | 956.9 | 954.0 | 957.2 | 960.5 | 967.1 | 978.6 | 957.6 | 957.1 | 972.0 | 966.1 | 958.2 | 948.3 |
| Wage & Salary Empl. Index (1977=100) 4/ | 102.6 | 104.4 | 103.7 | 103.4 | 103.2 | 103.2 | 103.0 | 102.6 | 102.1 | 102.0 | 101.5 | 101.3 | 100.6 |
| Diffusion Index 5/ | 38.7 | 28.3 | 29.5 | 31.8 | 38.8 | 43.4 | 44.2 | 44.2 | 41.1 | 44.2 | 39.5 | 41.1 | 38.0 |
| MANUFACTURING, TOTAL | 185.7 | 181.9 | 181.6 | 181.3 | 181.1 | 182.9 | 186.4 | 193.7 | 195.1 | 195.5 | 189.4 | 183.1 | 177.9 |
| Durable Goods | 132.7 | 131.9 | 131.9 | 132.1 | 131.9 | 133.1 | 134.6 | 136.2 | 135.9 | 136.2 | 132.2 | 130.0 | 127.6 |
| Lumber & Wood Products | 55.6 | 51.7 | 52.4 | 52.4 | 53.2 | 54.9 | 57.4 | 58.4 | 59.0 | 59.1 | 56.9 | 56.8 | 55.2 |
| Logging & Sawmills | 29.1 | 25.9 | 26.8 | 26.7 | 27.2 | 28.3 | 30.1 | 31.4 | 31.8 | 32.0 | 30.7 | 30.1 | 28.5 |
| Veneer & Plywood | 16.7 | 16.2 | 16.1 | 16.1 | 16.2 | 16.6 | 17.2 | 16.9 | 17.1 | 17.0 | 16.5 | 16.9 | 16.9 |
| Millwork & Structural Wood | 5.2 | 5.0 | 4.9 | 4.9 | 5.1 | 5.3 | 5.4 | 5.4 | 5.5 | 5.5 | 5.2 | 5.4 | 5.4 |
| Mobile Homes | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 | 1.3 | 1.3 | 1.2 | 1.2 | 1.2 | 1.2 |
| Other Wood Products | 3.3 | 3.3 | 3.2 | 3.3 | 3.3 | 3.3 | 3.4 | 3.4 | 3.3 | 3.4 | 3.3 | 3.2 | 3.2 |
| Furniture & Fixtures | 2.2 | 2.2 | 2.1 | 2.2 | 2.2 | 2.2 | 2.3 | 2.3 | 2.3 | 2.4 | 2.3 | 2.2 | 2.2 |
| Stone, Clay, Glass & Concrete Prod. | 3.4 | 3.1 | 3.1 | 3.2 | 3.3 | 3.5 | 3.6 | 3.6 | 3.6 | 3.7 | 3.6 | 3.3 | 2.8 |
| Primary Metals | 8.1 | 9.2 | 9.2 | 9.1 | 8.8 | 8.4 | 8.0 | 7.9 | 7.7 | 7.6 | 7.3 | 7.2 | 7.3 |
| Blast Furnaces, Iron & Steel Found. | 4.4 | 5.1 | 5.1 | 5.1 | 4.8 | 4.6 | 4.2 | 4.1 | 4.1 | 4.2 | 3.9 | 3.8 | 3.9 |
| Nonferrous Metals | 3.7 | 4.1 | 4.1 | 4.0 | 4.0 | 3.8 | 3.8 | 3.8 | 3.6 | 3.4 | 3.4 | 3.4 | 3.4 |
| Fabricated Metals | 9.8 | 10.4 | 10.0 | 10.0 | 9.6 | 9.4 | 9.5 | 9.6 | 9.7 | 9.9 | 9.9 | 9.7 | 9.2 |
| Fabricated Structural Metals | 3.8 | 4.1 | 3.8 | 3.8 | 3.6 | 3.5 | 3.7 | 3.8 | 3.8 | 3.9 | 3.8 | 3.7 | 3.7 |
| Other Fabricated Metals | 6.0 | 6.3 | 6.2 | 6.2 | 6.0 | 5.9 | 5.8 | 5.8 | 5.9 | 6.0 | 6.1 | 6.0 | 5.5 |
| Machinery | 16.5 | 17.4 | 17.2 | 17.3 | 17.2 | 16.9 | 16.9 | 16.6 | 16.5 | 16.1 | 15.6 | 15.3 | 15.1 |
| Electrical Equipment & Supplies | 10.1 | 10.0 | 10.0 | 10.0 | 10.1 | 10.1 | 10.1 | 10.4 | 10.3 | 10.2 | 10.0 | 9.9 | 9.8 |
| Transportation Equipment | 7.9 | 8.1 | 8.1 | 8.1 | 8.0 | 8.4 | 7.5 | 8.0 | 7.4 | 8.0 | 7.8 | 7.2 | 7.8 |
| Instruments & Related Products | 16.8 | 17.2 | 17.3 | 17.3 | 17.0 | 16.9 | 16.9 | 17.0 | 17.0 | 16.8 | 16.5 | 16.1 | 16.0 |
| Miscellaneous Manufacturing | 2.3 | 2.6 | 2.5 | 2.5 | 2.5 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.3 | 2.3 | 2.2 |
| Nondurable Goods | 53.0 | 50.0 | 49.7 | 49.2 | 49.2 | 49.8 | 51.8 | 57.5 | 59.2 | 59.3 | 57.2 | 53.1 | 50.3 |
| Food & Kindred Products | 23.7 | 20.3 | 20.5 | 19.7 | 19.7 | 20.2 | 21.8 | 27.7 | 29.7 | 30.0 | 28.6 | 24.4 | 21.7 |
| Canning and Preserving | 13.5 | 10.1 | 10.5 | 9.8 | 9.9 | 10.1 | 11.5 | 17.3 | 19.3 | 19.6 | 18.0 | 13.8 | 11.6 |
| Other Food Products | 10.2 | 10.2 | 10.0 | 9.9 | 9.8 | 10.1 | 10.3 | 10.4 | 10.4 | 10.4 | 10.6 | 10.6 | 10.1 |
| Textile Mill Products | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| Apparel | 2.7 | 2.7 | 2.6 | 2.6 | 2.7 | 2.8 | 2.8 | 2.7 | 2.7 | 2.7 | 2.5 | 2.6 | 2.6 |
| Paper & Allied Products | 9.6 | 10.0 | 9.8 | 9.8 | 9.7 | 9.7 | 9.9 | 9.9 | 9.6 | 9.5 | 9.3 | 9.2 | 9.2 |
| Printing & Publishing | 10.0 | 10.1 | 10.0 | 10.1 | 10.1 | 10.0 | 10.1 | 10.1 | 10.1 | 10.1 | 10.0 | 10.0 | 9.9 |
| Chemicals & Allied Products | 2.1 | 2.1 | 2.1 | 2.2 | 2.2 | 2.2 | 2.2 | 2.1 | 2.1 | 2.0 | 2.0 | 2.0 | 2.0 |
| Petroleum Refining | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 |
| Rubber & Plastic Products | 2.3 | 2.2 | 2.2 | 2.3 | 2.3 | 2.4 | 2.4 | 2.3 | 2.3 | 2.3 | 2.1 | 2.1 | 2.2 |
| Leather Products | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |

1982 Cont.

| | Annual Average | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NONMANUFACTURING, TOTAL | 775.1 | 775.0 | 772.4 | 775.9 | 779.4 | 784.2 | 792.2 | 763.9 | 762.0 | 776.5 | 776.7 | 775.1 | 770.4 |
| Mining & Quarrying | 1.8 | 1.8 | 1.8 | 1.8 | 1.7 | 1.9 | 1.9 | 2.0 | 2.0 | 2.0 | 1.9 | 1.7 | 1.4 |
| Construction | 28.9 | 27.3 | 27.1 | 27.4 | 27.7 | 29.5 | 31.8 | 31.4 | 31.3 | 31.2 | 29.4 | 27.4 | 25.7 |
| Transp., Comm. & Utilities | 56.7 | 56.8 | 56.7 | 56.4 | 56.6 | 56.8 | 57.2 | 57.7 | 56.6 | 57.2 | 57.2 | 56.3 | 55.8 |
| Transportation | 31.9 | 31.6 | 31.4 | 31.3 | 31.5 | 31.8 | 32.2 | 32.9 | 31.8 | 32.5 | 32.7 | 31.9 | 31.5 |
| Railroad | 6.0 | 6.3 | 6.2 | 6.2 | 6.3 | 6.3 | 6.2 | 6.1 | 5.9 | 5.8 | 5.8 | 5.6 | 5.5 |
| Trucking & Warehousing | 16.0 | 15.2 | 15.1 | 15.2 | 15.2 | 15.6 | 16.2 | 17.3 | 16.5 | 16.6 | 16.9 | 16.3 | 16.2 |
| Other Transportation | 9.9 | 10.1 | 10.1 | 9.9 | 10.0 | 9.9 | 9.8 | 9.5 | 9.4 | 10.1 | 10.0 | 10.0 | 9.8 |
| Communications | 15.9 | 16.2 | 16.3 | 16.1 | 16.1 | 16.0 | 16.0 | 15.8 | 15.8 | 15.8 | 15.7 | 15.6 | 15.5 |
| Utilities | 8.9 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 8.9 | 8.8 | 8.8 | 8.8 |
| Trade | 238.7 | 238.1 | 234.0 | 235.0 | 235.5 | 237.7 | 240.6 | 239.9 | 240.6 | 242.7 | 238.7 | 239.8 | 242.3 |
| Wholesale Trade | 62.7 | 63.3 | 62.8 | 62.6 | 62.8 | 62.6 | 62.6 | 62.4 | 62.6 | 64.1 | 63.2 | 61.9 | 61.4 |
| Durable Goods | 37.3 | 38.4 | 38.1 | 37.9 | 37.8 | 37.7 | 37.4 | 37.2 | 36.8 | 36.6 | 36.7 | 36.4 | 36.2 |
| Nondurable Goods | 25.4 | 24.9 | 24.7 | 24.7 | 25.0 | 24.9 | 25.2 | 25.2 | 25.8 | 27.5 | 26.5 | 25.5 | 25.2 |
| Retail Trade | 176.0 | 174.8 | 171.2 | 172.4 | 172.7 | 175.1 | 178.0 | 177.5 | 178.0 | 178.6 | 175.5 | 177.9 | 180.9 |
| General Merchandise | 23.7 | 24.8 | 23.2 | 22.9 | 23.1 | 22.8 | 23.1 | 23.4 | 23.6 | 23.4 | 23.5 | 24.8 | 26.4 |
| Food Stores | 26.4 | 26.1 | 25.9 | 25.8 | 25.6 | 26.1 | 26.7 | 26.9 | 26.9 | 26.7 | 26.6 | 26.7 | 26.9 |
| Auto Dealers & Services Stations | 21.4 | 21.1 | 21.0 | 21.2 | 21.5 | 21.7 | 21.8 | 21.8 | 21.8 | 21.7 | 21.3 | 21.2 | 21.0 |
| Other Retail Trade | 104.5 | 102.8 | 101.1 | 102.5 | 102.5 | 104.5 | 106.4 | 105.4 | 105.7 | 106.8 | 104.1 | 105.2 | 106.6 |
| Finance, Ins. & Real Estate | 64.9 | 65.3 | 64.8 | 65.2 | 65.7 | 65.6 | 65.8 | 65.8 | 65.6 | 65.5 | 63.9 | 63.5 | 63.3 |
| Banking & Credit Agencies | 23.8 | 24.4 | 24.3 | 24.2 | 24.2 | 24.0 | 23.9 | 23.9 | 23.7 | 23.6 | 23.4 | 23.3 | 23.3 |
| Other Finance, Ins. & Real Estate | 41.1 | 40.9 | 40.5 | 41.0 | 41.5 | 41.6 | 41.9 | 41.9 | 41.9 | 41.9 | 40.5 | 40.2 | 40.0 |
| Services | 188.6 | 186.1 | 187.1 | 188.6 | 189.5 | 189.2 | 190.2 | 189.3 | 188.8 | 190.1 | 188.6 | 187.9 | 187.5 |
| Hotels & Personal Services | 23.3 | 22.8 | 23.0 | 23.2 | 23.4 | 23.3 | 23.5 | 23.8 | 23.9 | 24.1 | 23.4 | 22.6 | 22.3 |
| Health Services | 65.3 | 64.7 | 64.7 | 64.8 | 65.2 | 65.4 | 65.8 | 65.3 | 65.8 | 65.7 | 65.3 | 65.2 | 65.4 |
| Other Services | 100.0 | 98.6 | 99.4 | 100.6 | 100.9 | 100.5 | 100.9 | 100.2 | 99.1 | 100.3 | 99.9 | 100.1 | 99.8 |
| Government | 195.5 | 199.6 | 200.9 | 201.5 | 202.7 | 203.5 | 204.7 | 177.8 | 177.1 | 187.8 | 197.0 | 198.5 | 194.4 |
| Federal | 29.1 | 27.4 | 27.0 | 27.2 | 28.6 | 29.4 | 30.5 | 30.6 | 30.7 | 30.6 | 29.6 | 29.3 | 28.4 |
| State Government | 50.8 | 51.5 | 52.4 | 52.5 | 51.9 | 52.0 | 52.5 | 47.4 | 47.7 | 47.9 | 51.3 | 51.8 | 50.0 |
| Education | 21.5 | 22.5 | 22.9 | 23.1 | 22.6 | 22.6 | 22.6 | 18.0 | 17.6 | 18.0 | 22.6 | 22.8 | 22.2 |
| Other State | 29.3 | 29.0 | 29.5 | 29.4 | 29.3 | 29.4 | 29.9 | 29.4 | 30.1 | 29.9 | 28.7 | 29.0 | 27.8 |
| Local Government | 115.6 | 120.7 | 121.5 | 121.8 | 122.2 | 122.1 | 121.7 | 99.8 | 98.7 | 109.3 | 116.1 | 117.4 | 116.0 |
| Education | 70.9 | 76.7 | 77.2 | 77.4 | 77.5 | 77.1 | 75.4 | 53.8 | 52.6 | 64.0 | 72.4 | 73.9 | 73.1 |
| Other Local | 44.7 | 44.0 | 44.3 | 44.4 | 44.7 | 45.0 | 46.3 | 46.0 | 46.1 | 45.3 | 43.7 | 43.5 | 42.9 |
| LABOR-MANAGEMENT DISPUTES | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.3 | 0.5 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 | 0.0 |

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ This figure based on unrounded data.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

6/7/84 S6615-2 A

# OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

MAY 1984

## APRIL INDICATORS

### UNEMPLOYMENT RATE

| Oregon | S.A. | Raw |
|---|---|---|
| Apr. '84 | 9.1 | 10.0 |
| Mar. '84 | 8.8 | 10.4 |
| *U.S.* | | |
| Apr. '84 | 7.8 | 7.6 |
| Mar. '84 | 7.8 | 8.1 |

### WAGE AND SALARY EMPLOYMENT INDEX

| Oregon | 1977=100 |
|---|---|
| Apr. 1984: | 105.8 |
| Mar. 1984: | 106.0 |
| Apr. 1983: | 102.4 |
| Apr. 1982: | 103.2 |
| Apr. 1981: | 110.0 |
| Apr. 1980: | 112.2 |

### DIFFUSION INDEX

| Oregon | |
|---|---|
| Apr. 1984: | 64.0 |
| Mar. 1984: | 65.9 |
| Feb. 1984: | 62.8 |
| Jan. 1984: | 59.3 |
| Dec. 1983: | 58.1 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| Oregon | |
|---|---|
| Mar. 1984: | 39.4 |
| Feb. 1984: | 38.7 |
| Mar. 1983: | 38.6 |

### CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

| Portland SMSA | |
|---|---|
| Mar. 1984 | 298.0 |
| Year Change | + 4.7% |
| *U.S.* | |
| Apr. 1984 | 308.8 |
| Year Change | + 4.5% |

Portland Hotline 221-4132

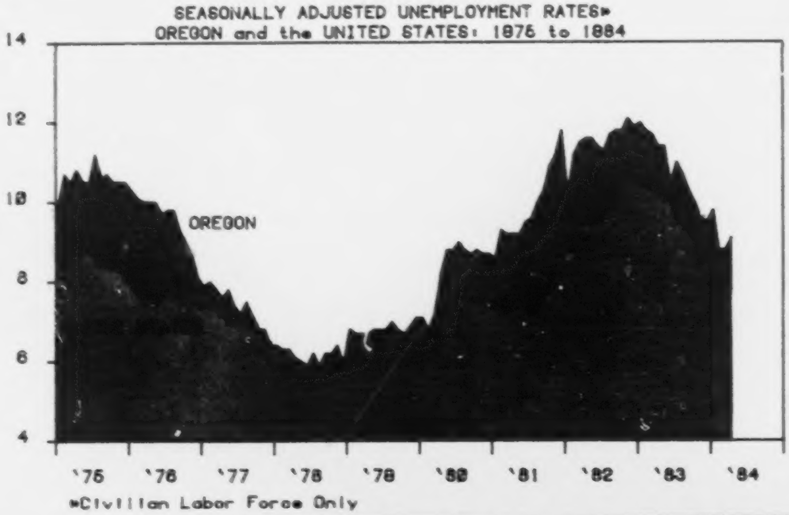
## MONTHLY ECONOMIC ANALYSIS

*Jeff Hannum*

Oregon's economic recovery lost a little more momentum in April as weak employment patterns in many nonmanufacturing industries overshadowed continued strength in Durable Goods manufacturing. As a result all three of Oregon's key labor market indicators retreated in April.

Total unemployment dropped by 4,300, half the normal improvement expected in April, pushing Oregon's seasonally adjusted unemployment rate up by three tenths of a point to 9.1% in April. The only good news that could be gleaned from this was that March's jobless rate of 8.8% was revised downward from the 9.2% preliminary estimate announced a month ago. However, with interest rates rising again and wood products markets slumping since March, further declines in Oregon's seasonally adjusted unemployment rate will be much harder to achieve in the months ahead. For this to occur will require above normal employment gains so that new workers entering the labor force as well as many current unemployed can find suitable work.

Unfortunately, this is not what happened in April. Nonfarm wage and salary employment did manage to rise by 4,300 over the month, but this gain fell 2,200 short of the seasonal norm. As a result the Wage and Salary Employment Index slipped by 0.2 point to 105.8 in April. Nonfarm payroll employment continued to exceed one year ago, but the amount of improvement from year to year narrowed to 31,600 in April compared to nearly 40,000 in March.



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## RESIDENT OREGON LABOR FORCE

|  | 1/<br>Apr.<br>1984 | 2/<br>Mar.<br>1984 | Change | % Change | 5/<br>Apr.<br>1983 |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,307,300 | 1,297,900 | 9,400 | 0.7 | 1,330,900 |
| Unemployment | 130,400 | 134,700 | - 4,300 | -3.2 | 159,300 |
| Percent of Labor Force | 10.0 | 10.4 | xxx | xxx | 12.0 |
| Seasonally Adjusted Percent | 9.1 | 8.8 | xxx | xxx | 11.4 |
| Total Employment 4/ | 1,176,900 | 1,163,200 | 13,700 | 1.2 | 1,171,600 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | 1/<br>Apr.<br>1984 | 2/<br>Mar.<br>1984 | Apr.<br>1983 | Change From<br>Mar.<br>1984 | Change From<br>Apr.<br>1983 |
|---|---|---|---|---|---|
| TOTAL 3/ | 984,200 | 979,900 | 952,600 | 4,300 | 31,600 |
| Wage & Salary Employment Index 4/ | 105.8 | 106.0 | 102.4 | xxx | xxx |
| Diffusion Index 5/ | 64.0 | 65.9 | 55.1 | xxx | xxx |
| Total Manufacturing | 193,900 | 191,600 | 179,500 | 2,300 | 14,400 |
| Durable Goods | 142,800 | 140,500 | 129,800 | 2,300 | 13,000 |
| Lumber & Wood Products | 65,300 | 64,400 | 58,800 | 900 | 6,500 |
| Logging & Sawmills | 33,300 | 32,800 | 30,200 | 500 | 3,100 |
| Veneer & Plywood | 17,800 | 17,600 | 17,300 | 200 | 500 |
| Millwork & Structural Wood | 8,600 | 8,400 | 6,700 | 200 | 1,900 |
| Mobile Homes | 1,700 | 1,700 | 1,400 | 0 | 300 |
| Other Wood Products | 3,900 | 3,900 | 3,200 | 0 | 700 |
| Furniture & Fixtures | 2,300 | 2,300 | 2,400 | 0 | - 100 |
| Stone, Clay, Glass, & Concrete | 3,000 | 3,000 | 2,900 | 0 | 100 |
| Primary Metals | 8,700 | 8,600 | 7,200 | 100 | 1,500 |
| Blast Furnaces, Iron & Steel | 4,700 | 4,600 | 3,900 | 100 | 800 |
| Nonferrous Metals | 4,000 | 4,000 | 3,300 | 0 | 700 |
| Fabricated Metals | 9,900 | 9,800 | 8,700 | 100 | 1,200 |
| Fabricated Structural Metals | 4,400 | 4,400 | 3,700 | 0 | 700 |
| Other Fabricated Metals | 5,500 | 5,400 | 5,000 | 100 | 500 |
| Machinery | 15,700 | 15,500 | 15,100 | 200 | 600 |
| Electrical Equipment & Supplies | 11,900 | 11,700 | 10,200 | 200 | 1,700 |
| Transportation Equipment | 9,000 | 8,200 | 7,100 | 800 | 1,900 |
| Instruments & Related Products | 14,500 | 14,500 | 15,200 | 0 | - 700 |
| Miscellaneous Manufacturing | 2,500 | 2,500 | 2,200 | 0 | 300 |
| Nondurable Goods | 51,100 | 51,100 | 49,700 | 0 | 1,400 |
| Food & Kindred Products | 20,700 | 20,700 | 20,900 | 0 | - 200 |
| Canning & Preserving | 11,000 | 10,900 | 11,300 | 100 | - 300 |
| Other Food Products | 9,700 | 9,800 | 9,600 | - 100 | 100 |
| Textile Mill Products | 1,800 | 1,800 | 1,600 | 0 | 200 |
| Apparel | 2,700 | 2,700 | 2,500 | 0 | 200 |
| Paper & Allied Products | 9,200 | 9,300 | 9,200 | - 100 | 0 |
| Printing & Publishing | 10,700 | 10,600 | 10,100 | 100 | 600 |
| Chemicals & Allied Products | 2,200 | 2,200 | 2,100 | 0 | 100 |
| Petroleum Refining | 600 | 600 | 500 | 0 | 100 |
| Rubber & Plastic Products | 2,700 | 2,700 | 2,400 | 0 | 300 |
| Leather Products | 500 | 500 | 400 | 0 | 100 |

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| | | | | Change From | |
|---|---|---|---|---|---|
| INDUSTRY | Apr. 1984 | Mar. 1984 | Apr. 1983 | Mar. 1984 | Apr. 1983 |
| (cont.) | | | | | |
| Total Nonmanufacturing | 790,300 | 788,300 | 773,100 | 2,000 | 17,200 |
| Mining & Quarrying | 1,700 | 1,700 | 1,400 | 0 | 300 |
| Construction | 23,900 | 23,300 | 23,900 | 600 | 0 |
| Transportation, Communications, & Utilities | 55,800 | 55,800 | 54,700 | 0 | 1,100 |
| Transportation | 33,100 | 32,700 | 30,800 | 400 | 2,300 |
| Railroad | 5,600 | 5,400 | 5,400 | 200 | 200 |
| Trucking & Warehousing | 17,000 | 16,800 | 15,600 | 200 | 1,400 |
| Other Transportation | 10,500 | 10,500 | 9,800 | 0 | 700 |
| Communications | 14,400 | 14,800 | 15,100 | - 400 | - 700 |
| Utilities | 8,300 | 8,300 | 8,800 | 0 | - 500 |
| Trade | 247,000 | 244,700 | 236,300 | 2,300 | 10,700 |
| Wholesale Trade | 62,900 | 62,600 | 60,700 | 300 | 2,200 |
| Durable Goods | 37,200 | 37,000 | 36,100 | 200 | 1,100 |
| Nondurable Goods | 25,700 | 25,600 | 24,600 | 100 | 1,100 |
| Retail Trade | 184,100 | 182,100 | 175,600 | 2,000 | 8,500 |
| General Merchandise | 23,700 | 23,800 | 22,900 | - 100 | 800 |
| Food Stores | 28,700 | 28,100 | 27,200 | 600 | 1,500 |
| Auto Dealers & Service Stations | 23,300 | 23,200 | 21,300 | 100 | 2,000 |
| Other Retail Trade | 108,400 | 107,000 | 104,200 | 1,400 | 4,200 |
| Finance, Insurance, & Real Estate | 65,600 | 65,700 | 64,100 | - 100 | 1,500 |
| Banking & Credit Agencies | 23,400 | 23,400 | 23,300 | 0 | 100 |
| Other Finance, Insurance, & Real Estate | 42,200 | 42,300 | 40,800 | - 100 | 1,400 |
| Services | 198,100 | 197,800 | 194,500 | 300 | 3,600 |
| Hotels & Personal Services | 23,100 | 23,200 | 23,500 | - 100 | - 400 |
| Health Services | 67,600 | 67,700 | 66,300 | - 100 | 1,300 |
| Other Services | 107,400 | 106,900 | 104,700 | 500 | 2,700 |
| Government | 198,200 | 199,300 | 198,200 | -1,100 | 0 |
| Federal Government | 28,800 | 28,800 | 28,300 | 0 | 500 |
| State Government | 52,900 | 53,200 | 52,600 | - 300 | 300 |
| Education | 22,900 | 23,400 | 22,600 | - 500 | 300 |
| Other State | 30,000 | 29,800 | 30,000 | 200 | 0 |
| Local Government | 116,500 | 117,300 | 117,300 | - 800 | - 800 |
| Education | 75,300 | 76,200 | 75,500 | - 900 | - 200 |
| Other Local | 41,200 | 41,100 | 41,800 | 100 | - 600 |
| Labor-Management Disputes | 900 | 900 | 200 | 0 | 700 |

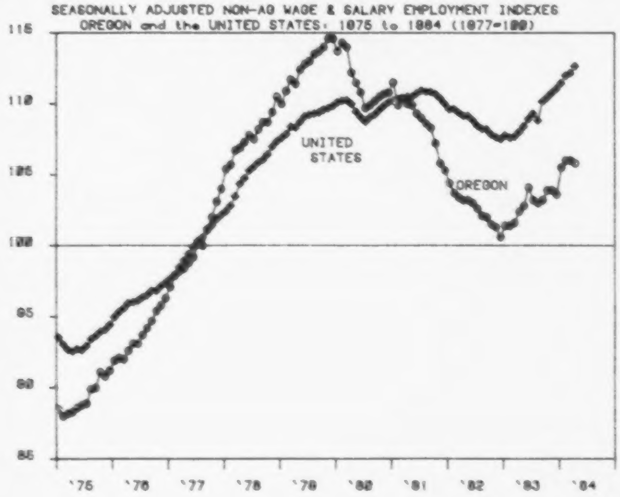
1/ Preliminary

2/ Revised

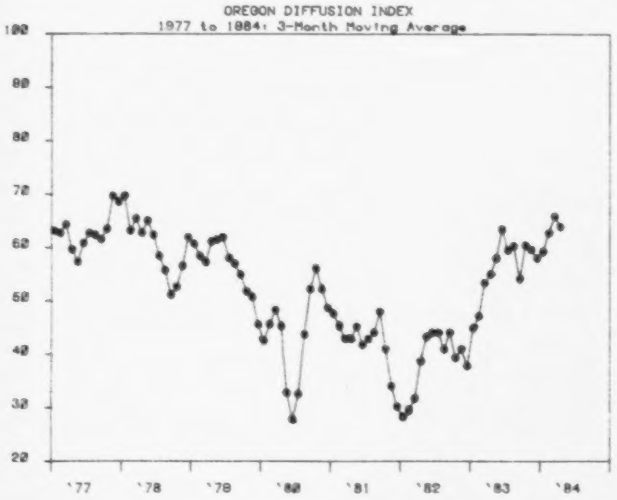
3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.



A third major indicator - the Oregon Diffusion Index - remained at a high 64.0 level in April, but this too represented some weakening from the 65.9 mark reached in March. The Diffusion Index represents the percentage of a selected group of industries showing increases in seasonally adjusted employment, and tends to foreshadow the future course of the economy.



While Oregon's economic recovery showed further signs of a "pause" in April, the U.S. economy seemed to be pulling out of its brief stall. Although the nation's unemployment rate remained stuck at the 7.8% mark for the third straight month, other economic indicators were continuing to show strength.

For example:

- total employment reached a record high in April and nonfarm payroll employment jumped also. Gains in both cases exceeded seasonal expectations. The jobless rate would have improved too had it not been for a surge of new workers into the labor force, many of them women.
- the number of hours logged by the average worker plus the average factory workweek both rose in April. The latter increase raised the factory workweek to 41.2 hours - the highest level in nearly two decades. It appears that many employers are using overtime to keep up with the increase in orders. If the business trend continues strong it should translate into more hiring down the road.
- U.S. industrial production jumped 1.4% in April reflecting business inventory building, still strong consumer spending, and rising demand for capital equipment. It was the 17th consecutive monthly increase for this indicator. Further gains are expected in coming months as capital spending provides an even stronger boost to the economy. A recent McGraw-Hill survey indicates that industry plans to increase capital spending in 1984 by nearly 17%. This is almost double the rate of increase the same companies planned last November.
- retail sales jumped 2.9% in April mainly on the strength of auto sales after falling 2.0% in March. Although consumer spending is expected to moderate as the recovery progresses, it is still very strong. A recent study by the University of Michigan put consumer confidence at its highest level in 18 years!
- although interest rates are on the rise again, housing starts in the nation bounced back strongly in April, reaching an annual rate of nearly 2.0 million units. Over the past two months starts had ranged from a high of 2.2 million units annual rate in February to 1.65 million in March as bad weather and rising interest rates took their toll.

April's surprisingly strong housing report is good news for Oregon's slumping wood products industry. Although Lumber and Wood Products somehow managed a normal seasonal increase of 900 jobs in April, there have been some recent mill closures and announcements of upcoming closures due to deteriorating market conditions. Prices for lumber and plywood have declined sharply since March as optimism earlier this year pushed production beyond what the market would absorb. Rising interest rates plus March's sharp drop in housing starts caused inventories to back up all along the line. Even with April's good housing report, the outlook for Lumber and Plywood employment this summer is uncertain.

Uncertainty is not the case in most Other Durable Goods manufacturing industries however, where positive signs continued to surface in April. Other Durable Goods manufacturing has been chalking up strong gains in seasonally adjusted employment for several months. April was no exception. Employment in this sector jumped by 1,400 last month, or a gain of 1,500 after seasonal adjustment. Metals, Machinery, Electrical and Transportation Equipment all continued to expand. The largest job gain (+800) came in Transportation Equipment reflecting additional ship repair contracts and further growth in recreational vehicle manufacturing. The

Nondurable Goods manufacturing sector was generally stable in April except for a decline in seafood processing activity.

Although the nonmanufacturing sector added 2,000 jobs in April, this was only about a third of the normal increase. Seasonally adjusted employment fell in every one of the major industry categories except Construction (+600) where several commercial projects around the state plus continued strong activity on highway and bridge projects boosted employment in the Heavy Construction sector. Residential construction activity remained dormant in April.

The weakest employment trend last month came in Government where employment fell 1,100, a seasonally adjusted drop of 2,200. Layoffs were confined to State and Local Education reflecting continued funding problems and the end of the flu season. During February and March employment levels in the schools were boosted by the hiring of substitute teachers. In April the flu epidemic was largely past, reducing the need for these temporary staff.

Trade employment registered the largest gain of any sector in April rising by 2,300. Although this fell a little short of the normal seasonal increase, consumer spending remains strong, especially for new autos.

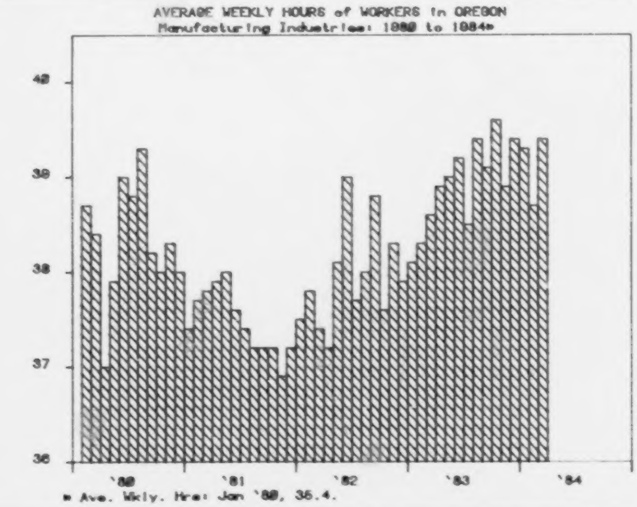
In summary, Oregon's economy lost a little more than it gained in April, but the recovery is still basically on track. As long as interest rates do not rise further, the employment situation should continue to gradually improve, especially in the basic manufacturing industries closely tied to capital spending. While 1983 was the year Lumber and Wood Products made its major turnaround, 1984 looks like the big year for Other Durable Goods manufacturing.□

## HOURS & EARNINGS – FACTORY WORK WEEK RISES

*Gary Barker*

March's production worker statistics looked good generally. Though the hourly earnings average came down 13¢ over the month, gains in the workweek average more than compensated for the decline as evidenced by the rise (+$2.23) in the weekly earnings average.

The workweek average, most often a good precursor of future economic performance, rose sharply (+0.7) to 39.4 in March. While that is a significant gain and is the highest March workweek average shown in ten years, it should not be read as a singular statement or comment that the economy has suddenly taken a turn for the better. Rather, it is indicative of a continuation of the upbeat performance started many months ago. For almost two years now, the comparison of manufacturing weekly hours to a like figure from a year earlier has shown a gain.



The March workweek showed gains of about equal proportions in both the Durable and Nondurable Goods sectors. The driving force behind the durable goods increase was Lumber and Wood Products where virtually all components displayed increased activity. Despite a miserable month weather-wise, the state's forest products sector trudged along with additional hiring and expanded overtime hours. Reasonably stable prices coupled with optimism about the future kept production activity on a high plain.

In Nondurable Goods hours were up generally in March, too, with one notable exception. Dipping from 34.3 in Feburary to 34.0 in March, Canning and Preserving tended to moderate some of the gains reported elsewhere. During this, the off season, most of the canning and preserving work is now in repackaging or maintenance/repair in preparation for the next season - activities that can be scheduled in advance and with a lower level of hours.

Manufacturing average hourly earnings dropped a couple of notches from the all time high of $10.51 shown in the revised estimates for February. Just opposite to the workweek trend, average hourly earnings were down in both Durable and Nondurable Goods. Though a portion of the change can be attributed to the hiring of additional workers at lower pay scales, much of the lower earnings figure is the result of fluctuations in components that are not published separately on a month to month basis, specifically Transportation Equipment. By the nature of much of the activity (e.g. ship repair), a major portion of the work done in Transportation Equipment is accomplished via contract. The result is fairly wide swings in earnings levels in the industry.

The workweek in Construction was unchanged over the month at 32.5 and is 1.3 hours above last March's 31.5. As a reflection of the plight of construction however, both the current month and year ago workweek averages in Construction are below any previous March workweek on record. Hourly earnings ($14.61 in March '84 and $16.24 a year earlier), also point to an industry struggling to break from the grips of the recession.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Mar.2/ 1984 | Feb.3/ 1984 | Mar. 1983 | Mar.2/ 1984 | Feb.3/ 1984 | Mar. 1983 | Mar.2/ 1984 | Feb.3/ 1984 | Mar. 1983 |
| TOTAL MANUFACTURING 4/ | $408.97 | $406.74 | $399.12 | 39.4 | 38.7 | 38.6 | $10.38 | $10.51 | $10.34 |
| Durable Goods | 417.35 | 414.85 | 412.91 | 39.9 | 39.1 | 39.4 | 10.46 | 10.61 | 10.48 |
| Lumber & Wood Products | 432.63 | 421.68 | 429.32 | 39.8 | 38.9 | 39.9 | 10.87 | 10.84 | 10.76 |
| Logging & Sawmills | 459.76 | 451.21 | 458.05 | 39.6 | 39.1 | 39.9 | 11.61 | 11.54 | 11.48 |
| Veneer & Plywood | 442.54 | 431.24 | 430.52 | 40.6 | 39.6 | 40.5 | 10.90 | 10.89 | 10.63 |
| Millwork & Struct Wood | 334.38 | 318.57 | 318.01 | 39.2 | 37.7 | 38.5 | 8.53 | 8.45 | 8.26 |
| Mobile Homes | 274.22 | 253.56 | 322.81 | 34.8 | 32.3 | 40.1 | 7.88 | 7.85 | 8.05 |
| Other Wood Products | 444.17 | 430.95 | 403.51 | 40.9 | 39.5 | 39.1 | 10.86 | 10.91 | 10.32 |
| Furniture & Fixtures | 266.69 | 265.44 | 249.55 | 34.5 | 33.9 | 35.0 | 7.73 | 7.83 | 7.13 |
| Primary Metals | 494.47 | 489.14 | 499.89 | 42.7 | 41.7 | 39.8 | 11.58 | 11.73 | 12.56 |
| Fabricated Metals | 373.74 | 380.16 | 380.00 | 37.6 | 38.4 | 38.5 | 9.94 | 9.90 | 9.87 |
| Machinery | 409.82 | 411.46 | 400.93 | 40.1 | 40.3 | 37.4 | 10.22 | 10.21 | 10.72 |
| Nondurable Goods | 383.55 | 379.07 | 361.82 | 37.9 | 37.2 | 36.4 | 10.12 | 10.19 | 9.94 |
| Food & Kindred Products | 304.59 | 319.87 | 289.78 | 35.5 | 35.9 | 33.5 | 8.58 | 8.91 | 8.65 |
| Canning & Preserving | 247.52 | 265.14 | 219.51 | 34.0 | 34.3 | 30.7 | 7.28 | 7.73 | 7.15 |
| Other Food Products | 391.61 | 395.20 | 396.14 | 37.8 | 38.0 | 37.8 | 10.36 | 10.40 | 10.48 |
| Textile Mill Products | 225.62 | 225.51 | 218.96 | 38.7 | 37.9 | 36.8 | 5.83 | 5.95 | 5.95 |
| Apparel | 211.91 | 207.10 | 192.74 | 38.6 | 38.0 | 35.3 | 5.49 | 5.45 | 5.46 |
| Paper & Allied Products | 570.35 | 559.06 | 542.15 | 41.3 | 40.6 | 41.8 | 13.81 | 13.77 | 12.97 |
| Printing & Publishing | 453.53 | 402.60 | 413.35 | 38.5 | 35.1 | 36.1 | 11.78 | 11.47 | 11.45 |
| Construction 4/ | 474.83 | 477.10 | 506.69 | 32.5 | 32.5 | 31.2 | 14.61 | 14.68 | 16.24 |
| Communications & Utilities 5/ | 477.63 | 481.38 | 446.20 | 38.8 | 39.2 | 38.8 | 12.31 | 12.28 | 11.50 |
| Trade 5/ | 282.07 | 279.89 | 272.97 | 33.5 | 33.4 | 33.7 | 8.42 | 8.38 | 8.10 |
| Wholesale Trade | 379.34 | 372.74 | 361.35 | 37.3 | 37.2 | 37.1 | 10.17 | 10.02 | 9.74 |
| Retail Trade | 234.47 | 234.68 | 229.19 | 31.6 | 31.5 | 32.1 | 7.42 | 7.45 | 7.14 |
| Banking & Insurance | 272.70 | 267.09 | 264.29 | | | | | | |
| State & Local Government | 317.32 | 317.80 | 301.19 | | | | | | |

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1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

## HOW TO USE THE STATE EMPLOYMENT SERVICE

*Yvonne Harris*

(Editors Note: The following article appeared in the May, 1984 issue of Oregon Business magazine and is reprinted here with permission granted by Oregon Business magazine).

Did you hear about the company that advertised recently for 30 apprenticeship positions and had over 3,000 persons apply? Some of the applicants camped out all night, and lines five abreast stretched over two blocks long.

When you must fill a job, what do you do? Place a help-wanted ad? Tell your other employees? Hire a sky-writer? Call the state Employment Division?

All of the above can be effective. But two cost money and two do not. Like everything else, charges for newspaper advertising have risen steadily. The results of a carefully worded want ad will bring you telephone calls and resumes. It may also bring you walk-in applicants by the dozen. A phone call to the state Employment Division will bring you pre-screened applicants (with or without resumes) by appointment only and no walk-ins. Either approach can solve a hiring crisis. The latter, however, comes without a price tag.

If what you're really after is four or five good applicants to choose from, then perhaps you don't need the "mega-results" of a classified ad. Calling the state will save you time as well as money. The agency has scores of experienced applicants already subdivided into occupations and abilities, people either presently unemployed or laid off, or people simply looking for a better job. Since you've already paid for their services with your tax dollars, there is no charge, of course.

Briefly, by way of background, the state Employment Division - or Job Services, as it is more commonly known in other parts of the country - is the nationwide labor exchange system for the United States. It was initiated by the Wagner-Peyser Act of 1933 to help workers in the Great Depression. Although it is funded primarily by the federal government, each individual state's Department of Labor operates its own division for the purpose of providing free employment services and information to state residents, employers and workers alike. Its intent is to bring together people looking for work and employers with jobs to be filled. Ideally, when used in conjunction with advertising (even the state advertises some of its listings), both employers and job seekers gain greater exposure to each other.

For an individual, the state Employment Division can function much like an employment agency, trying to match an applicant's skills and experience with available jobs in the area and arranging for referrals. Counseling and testing services and programs coaching job applicants on proper dress, interview behavior, and job-finding techniques are offered at no cost.

Business and industry receive special services such as employment testing, in-house job surveys, area salary comparisons, job-description writing, etc. Information and assistance with any labor-related problem is provided on request. It is, in all respects, a service, offered at no cost, an effective tool for employers to be used as an adjunct to company personnel departments.

You will find that the referrals you receive from the state have the same mixture of characteristics and talents as those who find their way by other means, with an important difference: people with gumption enough to register for work with the state in addition to watching the want ads are serious about finding a job.

The suggestions that follow are the result of my experience using a state job services agency on almost a daily basis. They are the "tricks of the trade" that may be useful to you when dealing with the state Employment Division.

(Editor's Note: While the author's experience has been with state employment offices in another state, Oregon Employment Division officials reviewed this story and found it to be an accurate description of the state's employment service.)

## WORKING THE SYSTEM

It helps to know that the individual job services agencies throughout a state receive their funding based on various criteria. One significant factor in their allocations is whether or not they meet certain assigned quotas. These quotas include: the number of job orders received from employers in their area; the number of new applicants interviewed; and the number of applicants actually placed in jobs.

Within each agency, these quotas are further broken down into assignments to each interviewer. For instance, this month one agency's quota might be 60 placements divided among six workers, or 10 placements each. Records are scrupulously kept and submitted to the main office at the state capitol. The next time budgets are reviewed or staffing cuts contemplated, the numbers - quotas met or not met - are considered. Each agency must be concerned with the numbers. That's important for you to know.

## INTERVIEWERS ARE NOT ALL ALIKE

Most job openings, or job orders, are received from employers who call their vacancies in directly to the agency. Others are obtained by interviewers telephoning local companies or visiting area businesses in their territory to inquire about possible openings.

Some of these interviewers are amazingly good and screen their applicants carefully, seeking to match the worker's skills to an employer's stated requirements. The good ones rifle in narrowly, and they are usually the most successful. Other interviewers, not as careful, use the shotgun approach; and these are the ones who frustrate an employer by sending unqualified applicants who waste his time. These "warm body" referrals can be stopped quickly if you will call the interviewer responsible and speak frankly about what you want or do not want. If it continues, talk to the manager of the agency. Since employers are the agency's lifeblood, the very last thing an interviewer - or the manager - wants is to alienate an employer.

The most important factor in dealing successfully with the Employment Division, particularly in the urban areas, is your relationship with the interviewers. Get to know these people. If you are new to the agency (or renewing an old connection), go to the office yourself and speak directly with the manager. Explain your requirements and ask for one of his best interviewers. If you like the one he selects and the chemistry seems right, stick with him. If not, then pick another yourself. This is an area in which you definitely have the upper hand. You decide who you will give your job listings to. Since new job orders acquired are tracked by individual interviewers, they are much desired.

Good rapport between the employer and an interviewer is absolutely vital; it is a symbiotic relationship with a capital "S".

Invite your Employment Division representative out to visit your company, show him or her around, let him get the feel of the place, appreciating your special needs and the type of employes you want to hire. Introduce him to some of your people. Give him coffee. Buy him lunch. Be nice to him! Remember, he has the capability to save your company many dollars by referring qualified job applicants.

## PLACING A JOB ORDER

When you have a position to be filled, call your favorite interviewer and give the details of the job: the title, duties, hours, rate of pay, benefits, experience required, educational qualifications, and the number of applicants you are willing to interview for the opening. The usual number is three or four, but this is your decision. These details are noted on the order and are made part of the employer's requirements for the job. The order is then processed and will be made available to all other Employment Division offices.

Occasionally you'll know of an impending opening in your company but do not want to list the job with the agency immediately. You can alert your interviewer to keep an eye out for a good candidate and let you know.

INTERVIEWING APPLICANTS

1. When the calls for referrals begin to come, keep track of the applicants and the interviewer and the agency office that sent them. If you are close to a large city, you may get calls from three or four different offices, and you will want to keep records for comparison. Note the qualifications of the people sent and whether or not they meet your requirements. If they were well-screened and suitable, jot down that interviewer's name and phone number and start to compile a list of good interviewers to contact for future openings.

2. Don't talk on the telephone directly to the applicant. Save that for the interview if you decide to see him. This initial contact for an appointment is an opportunity for you to question the interviewer about the worker's background and qualifications that you consider important for the job. Based on the answers you receive, you may decide not to grant the interview.

3. Insist on seeing applicants by appointment only. This is a double advantage. First, it gives you a chance to quiz the interviewer about the prospective applicant because it requires a confirmation from you. Second, it will prevent a flock of walk-ins who might have been told you are hiring.

4. An applicant brings to the interview an appointment card listing his name, the interviewer who sent him, telephone number, appointment time and date, etc. You should check the appropriate box and return the postage-paid card to the agency at the conclusion of the interview. Aside from a personal telephone call to you, the interviewer responsible has no way of knowing whether or not his referral got the job. You can eliminate inquiring phone calls if you remember to send the cards back.

5. Each time you interview for a job, it is noted on the back of the job order at the agency or logged in the computer. In this way, you should not receive more referrals for that job once the number of applicants you initially agreed to see when you listed the order has been reached. Once in a while, a job is filled but never gets cancelled. You can help end the nuisance of calls weeks later for that position if you will telephone a cancellation yourself.

6. When you have a number of job openings, call more than one of your good contacts. Remember that they get credit for a new order taken. So, if you have 10 openings, you can call two or three of your contacts and spread the orders around. If you are placing a single order with one Employment Division office, however, you can call other offices in your area, not to list again but to let them know you are looking for workers. You'll get broader exposure this way because more interviewers will know sooner about your opening. Be sure to do this if you have a job you must fill in a hurry.

KEEP THE FAITH

Although I have hired over 100 employes this past year, I haven't spent more than $50 in advertising. On several occasions, I got nervous about an unfilled job. In all but one case, the state came through at the last minute, and I chose their applicant over the newspaper respondents anyway. I should have saved my money.

The secret to a successful partnership with your state Employment Agency is to remember that agency's preoccupation with figures. Since the interviewer's job is finding jobs for other people, those quotas are a means of measuring his effectiveness. Raises, promotion, and upgrades may depend on his reaching certain targeted goals.

The Employment Division may not be the only answer to all of your staffing problems; there's no such thing, of course. However, it is a valuable resource that thoughtful employers can use to their advantage. □

**OREGON LABOR TRENDS**

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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DEPARTMENT OF HUMAN RESOURCES
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# OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

JUNE 1984

## MAY INDICATORS

### UNEMPLOYMENT RATE

| *Oregon* | S.A. |
|---|---|
| May '84 | 9.1 |
| Apr. '84 | 9.1 |
| *U.S.* | |
| May '84 | 7.5 |
| Apr. '84 | 7.8 |

### WAGE AND SALARY EMPLOYMENT INDEX

| *Oregon* | 1977=100 |
|---|---|
| May. 1984: | 105.8 |
| Apr. 1984: | 106.0 |
| Mar. 1984: | 106.0 |
| Feb. 1984: | 106.0 |
| Jan. 1984: | 105.5 |

### DIFFUSION INDEX

| *Oregon* | |
|---|---|
| May 1984: | 57.0 |
| Apr. 1984: | 63.6 |
| Mar. 1984: | 65.9 |
| Feb. 1984: | 62.8 |
| Jan. 1984: | 60.5 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| *Oregon* | |
|---|---|
| Apr. 1984: | 39.5 |
| Mar. 1984: | 39.4 |
| Apr. 1983: | 38.9 |

### CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

| *Portland SMSA* | |
|---|---|
| May 1984 | 301.9 |
| Year Change | + 4.6% |
| *U.S.* | |
| May 1984 | 309.7 |
| Year Change | + 4.2% |

Portland Hotline 221-4132

## MONTHLY ECONOMIC ANALYSIS

*Earl Fairbanks*

May was a good month for Oregon as employment rose and the number of unemployed declined. Oregon pulled a coup by attracting a major foreign investment and the state began preparing for a major influx of tourists this summer.

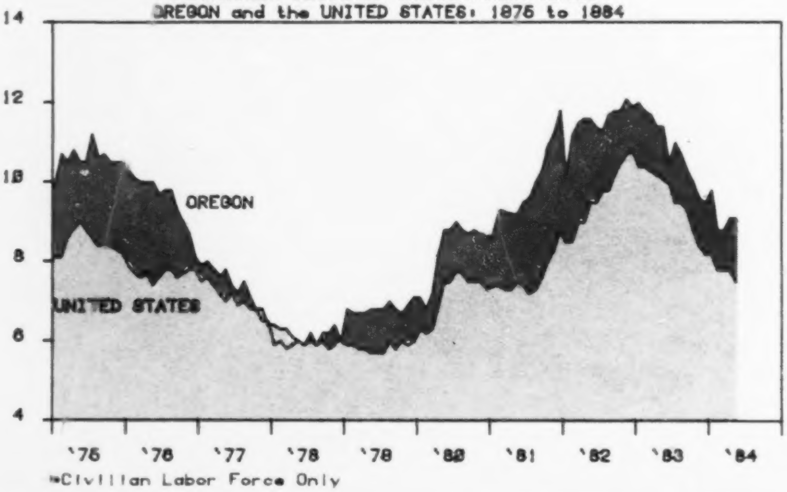
Even with unseasonable rains drenching most of Oregon's population, total employment increased by 13,500 while unemployment dropped 7,200. Since this was a normal April to May change, the seasonally adjusted unemployment rate remained at 9.1%. May's nonfarm wage and salary employment was 7,400 over April and 29,500 more than a year ago.

It is important to point out, however, that Oregon is still making up ground lost since 1979 when May's nonfarm employment was 1,049,000, topping this year's May total by 55,900. Not so for the nation, which hit a new peak in May when nonfarm employment reached 93.7 million.

Oregon's Diffusion Index sagged to 57.0, in May, but it also was the 15th consecutive month above 50.0. This index represents the percentage of a selected group of industries with increasing seasonally adjusted employment. An index above 50.0 indicates a growing economy.

Positives outweighed negatives in Food & Kindred Products. Employment in Canning & Preserving, excluding Seafood Processing, was at its highest May level ever at 9,900. Prices for

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1984



*Civilian Labor Force Only

## RESIDENT OREGON LABOR FORCE

| | 1/ May 1984 | 2/ Apr. 1984 | Change | % Change | 5/ May 1983 |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,314,600 | 1,308,300 | 6,300 | 0.5 | 1,344,700 |
| Unemployment | 122,800 | 130,000 | - 7,200 | -5.5 | 154,900 |
| Percent of Labor Force | 9.3 | 9.9 | xxx | xxx | 11.5 |
| Seasonally Adjusted Percent | 9.1 | 9.1 | xxx | xxx | 11.4 |
| Total Employment 4/ | 1,191,800 | 1,178,300 | 13,500 | 1.1 | 1,189,800 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| | | | | Change From | |
|---|---|---|---|---|---|
| INDUSTRY | 1/ May 1984 | 2/ Apr. 1984 | May 1983 | Apr. 1984 | May 1983 |
| TOTAL 3/ | 993,100 | 985,700 | 963,600 | 7,400 | 29,500 |
| Wage & Salary Employment Index 4/ | 105.8 | 106.0 | 102.8 | xxx | xxx |
| Diffusion Index 5/ | 57.0 | 63.6 | 58.1 | xxx | xxx |
| Total Manufacturing | 195,000 | 193,700 | 182,200 | 1,300 | 12,800 |
| Durable Goods | 143,000 | 142,700 | 131,800 | 300 | 11,200 |
| Lumber & Wood Products | 65,300 | 65,100 | 60,900 | 200 | 4,400 |
| Logging & Sawmills | 33,700 | 33,200 | 31,600 | 500 | 2,100 |
| Veneer & Plywood | 17,600 | 17,800 | 17,300 | - 200 | 300 |
| Millwork & Structural Wood | 8,300 | 8,500 | 7,100 | - 200 | 1,200 |
| Mobile Homes | 1,800 | 1,700 | 1,500 | 100 | 300 |
| Other Wood Products | 3,900 | 3,900 | 3,400 | 0 | 500 |
| Furniture & Fixtures | 2,200 | 2,300 | 2,400 | - 100 | - 200 |
| Stone, Clay, Glass, & Concrete | 3,000 | 3,100 | 3,000 | - 100 | 0 |
| Primary Metals | 8,800 | 8,800 | 7,300 | 0 | 1,500 |
| Blast Furnaces, Iron & Steel | 4,800 | 4,700 | 3,900 | 100 | 900 |
| Nonferrous Metals | 4,000 | 4,100 | 3,400 | - 100 | 600 |
| Fabricated Metals | 9,800 | 9,900 | 8,900 | - 100 | 900 |
| Fabricated Structural Metals | 4,400 | 4,400 | 3,900 | 0 | 500 |
| Other Fabricated Metals | 5,400 | 5,500 | 5,000 | - 100 | 400 |
| Machinery | 15,900 | 15,700 | 14,900 | 200 | 1,000 |
| Electrical Equipment & Supplies | 12,200 | 11,900 | 10,300 | 300 | 1,900 |
| Transportation Equipment | 8,800 | 8,900 | 7,000 | - 100 | 1,800 |
| Instruments & Related Products | 14,500 | 14,500 | 14,900 | 0 | - 400 |
| Miscellaneous Manufacturing | 2,500 | 2,500 | 2,200 | 0 | 300 |
| Nondurable Goods | 52,000 | 51,000 | 50,400 | 1,000 | 1,600 |
| Food & Kindred Products | 21,500 | 20,600 | 21,100 | 900 | 400 |
| Canning & Preserving | 11,400 | 11,000 | 11,400 | 400 | 0 |
| Other Food Products | 10,100 | 9,600 | 9,700 | 500 | 400 |
| Textile Mill Products | 1,800 | 1,800 | 1,600 | 0 | 200 |
| Apparel | 2,600 | 2,600 | 2,500 | 0 | 100 |
| Paper & Allied Products | 9,300 | 9,200 | 9,200 | 100 | 100 |
| Printing & Publishing | 10,800 | 10,800 | 10,300 | 0 | 500 |
| Chemicals & Allied Products | 2,300 | 2,200 | 2,200 | 100 | 100 |
| Petroleum Refining | 500 | 600 | 500 | - 100 | 0 |
| Rubber & Plastic Products | 2,700 | 2,700 | 2,500 | 0 | 200 |
| Leather Products | 500 | 500 | 500 | 0 | 0 |

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| | | | | Change From | |
|---|---|---|---|---|---|
| INDUSTRY | May 1984 | Apr. 1984 | May 1983 | Apr. 1984 | May 1983 |
| (cont.) | | | | | |
| Total Nonmanufacturing | 798,100 | 792,000 | 781,400 | 6,100 | 16,700 |
| Mining & Quarrying | 2,000 | 1,800 | 1,600 | 200 | 400 |
| Construction | 25,300 | 23,900 | 25,300 | 1,400 | 0 |
| Transportation, Communications, & Utilities | 55,500 | 55,600 | 55,100 | - 100 | 400 |
| Transportation | 33,000 | 33,000 | 31,200 | 0 | 1,800 |
| Railroad | 5,400 | 5,400 | 5,400 | 0 | 0 |
| Trucking & Warehousing | 17,100 | 17,100 | 16,100 | 0 | 1,000 |
| Other Transportation | 10,500 | 10,500 | 9,700 | 0 | 800 |
| Communications | 14,200 | 14,300 | 15,100 | - 100 | - 900 |
| Utilities | 8,300 | 8,300 | 8,800 | 0 | - 500 |
| Trade | 249,400 | 247,500 | 240,200 | 1,900 | 9,200 |
| Wholesale Trade | 63,000 | 62,900 | 61,400 | 100 | 1,600 |
| Durable Goods | 37,100 | 37,200 | 36,500 | - 100 | 600 |
| Nondurable Goods | 25,900 | 25,700 | 24,900 | 200 | 1,000 |
| Retail Trade | 186,400 | 184,600 | 178,800 | 1,800 | 7,600 |
| General Merchandise | 24,600 | 24,300 | 22,800 | 300 | 1,800 |
| Food Stores | 28,000 | 28,600 | 27,600 | - 600 | 400 |
| Auto Dealers & Service Stations | 23,400 | 23,300 | 21,800 | 100 | 1,600 |
| Other Retail Trade | 110,400 | 108,400 | 106,600 | 2,000 | 3,800 |
| Finance, Insurance, & Real Estate | 65,700 | 65,600 | 64,400 | 100 | 1,300 |
| Banking & Credit Agencies | 23,500 | 23,400 | 23,200 | 100 | 300 |
| Other Finance, Insurance, & Real Estate | 42,200 | 42,200 | 41,200 | 0 | 1,000 |
| Services | 199,600 | 198,600 | 195,200 | 1,000 | 4,400 |
| Hotels & Personal Services | 24,000 | 23,300 | 23,400 | 700 | 600 |
| Health Services | 68,000 | 67,600 | 66,100 | 400 | 1,900 |
| Other Services | 107,600 | 107,700 | 105,700 | - 100 | 1,900 |
| Government | 200,600 | 199,000 | 199,600 | 1,600 | 1,000 |
| Federal Government | 29,400 | 29,300 | 29,100 | 100 | 300 |
| State Government | 53,100 | 52,900 | 52,700 | 200 | 400 |
| Education | 22,900 | 22,900 | 22,600 | 0 | 300 |
| Other State | 30,200 | 30,000 | 30,100 | 200 | 100 |
| Local Government | 118,100 | 116,800 | 117,800 | 1,300 | 300 |
| Education | 76,200 | 75,500 | 75,900 | 700 | 300 |
| Other Local | 41,900 | 41,300 | 41,900 | 600 | 0 |
| Labor-Management Disputes | 600 | 900 | 500 | - 300 | 100 |

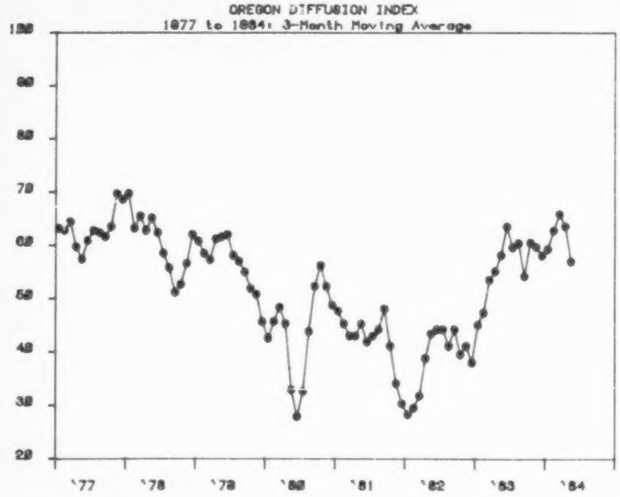
1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.



processed foods have fared better in recent years, and the shift from canned to frozen processing has helped smooth seasonal employment swings. Less optimistic was seafood processing, which remained down (1,300 below 1979) and will continue to limp along for some time to come. Diminished fish stocks, foreign competition, high fuel and transportation costs, and obsolete plants and equipment plague this industry.

Vacationers, getting an early start to avoid the heat and crowds, were the major reason for the leap in Hotels & Personal Services. Spending by both tourists and business travelers also triggered hiring in other sectors such as Food Services.

Anyone who doubts the importance of tourism to Oregon's economic well-being needs only to realize that 16 million visitors spent an estimated $2 billion in the state during 1983 on things like gasoline, food, lodging, and recreation. All that spending adds up to jobs in Oregon. Several factors are combining to make 1984 an even better year. In general the nation is experiencing a sharp economic rebound and consumer confidence is high. New car sales are soaring and gasoline supplies are plentiful. Probably even more important to Oregon tourism is the westward pull of the summer Olympics in Los Angeles. Thousands of vacationers who otherwise would not come west will be lured to the summer games with many making Redwood National Park, Crater Lake, Mt. St. Helens, etc. part of their itinerary.

After a year of strong sales and rising employment, Oregon's timber industry found its performance in May somewhat disappointing. Rising interest rates and a wet spring continued to plague the industry while concern over sluggish demand and growing inventories led to a dismal employment increase of 200, 1,500 less than expected for this time of year.

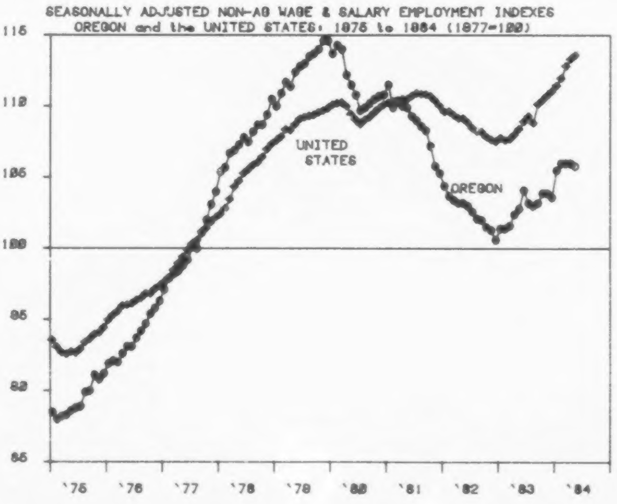
Flush with the optimism which prevailed early in the year, mills stepped up production to meet a demand that never fully materialized. In turn, producers were forced to reduce output and revise expectations.

The increased share of the market supplied by Canadian imports and southern competition also continue to hurt Oregon mills. In 1983, Canadian imports rose to 34% of total U.S. consumption. Canadian mills have benefitted from the steady decline in the value of the Canadian dollar relative to the U.S. dollar and from lower transportation costs to the east coast. Southern producers have the advantages of cheaper raw materials and labor, newer mills, and lower shipping rates due to their proximity to major markets in the East and Midwest.

Although increased funding for highway construction spurred an impressive gain of 1,400 construction workers during May, the increase was still 200 short of normal for the industry. Spending by the state for highway construction is running nearly 50% higher than just four years ago; about $150 million will be allocated for maintenance and new construction in 1984. The recent windfall in financial support for highways was generated by a federal 5 cent per gallon gasoline tax and also by an increase in the state's fuel tax.

Rising mortgage rates are draining the enthusiasm of many home buyers. As a result only small increases were noted in home construction during May. Even the newly popular adjustable-rate mortgages, with initial rates below those for conventional fixed-rate mortgages, are starting to climb beyond the budgets of many families.

Local government employment rose sharply in May (+1,300) with gains pretty much split between Education and Other Local Government. The latter jump was largely due to election activity. About half of the increase in Other State Government was due to hiring by the Highway Department. Recent approval was granted by the Legislative Emergency Board for the Department of Transportation to hire 200 additional staff to deal with an accelerated program of road construction.



NEC (Nippon Electric Co.) America's decision to build a $25-million fiber-optics plant on a 210-acre parcel in Hillsboro ranks as one of the largest industrial investments in the region by a Japanese company. It is the biggest foreign investment in Oregon since 1980 when Wacker Siltronic opened its silicon-wafer plant in Portland. The NEC facility will employ about 300 people when operations are under way in 1987.

Any hesitation NEC had about locating in Oregon apparently evaporated after a way was found to structure their operation to minimize their tax liability under the unitary tax formula.

Nippon officials stated several reasons why they chose to invest in Oregon. First, the "state's proximity to Japan"; second, the Portland area's "pool of highly skilled and productive workers"; and third, "the quality of life, cultural amenities and recreational opportunities".

Following the release of the May labor force statistics, there is little reason to doubt that Oregon's economy is slowing down from its nearly year-long period of growth. But rather than being bad news it could mean the expansion will continue rather than explode into a new burst of high inflation only to be followed by another recession. Oregon's economy however, is expected to continue to expand at moderate to low rates through the balance of 1984.

## THE EMPLOYERS CORNER – NEW TECHNOLOGY

*Val Ramsdell*

Twenty Job Service Employer Committees (JSEC's) advise and critique the performance of the local employment office serving their area. In cooperation with your local JSEC each issue of the Oregon Labor Trends features an article of special interest to employers.

In early July, a switch will be flipped on, lights will flash, and the Oregon Employment Division will softly buzz and whirl further into the computer age. The Division is adding a new Optical Character Reader (OCR) computer system which will eliminate the manual processing of weekly unemployment insurance claims forms. Currently approximately 5 minutes are allotted to process each form; the OCR can process forms about 300 times faster. Before the OCR, forms were manually reviewed, then a data entry operator keyed information from each document into the computer. This operation will be greatly streamlined. As the form passes through the OCR, the data are optically read, converted to computer language on magnetic tape, and the form is microfilmed. The OCR can read up to 360 machine or hand written character patterns.

For the recipient of unemployment benefits, the new system will issue checks with less delay. Staff shortages and other office crises will not affect the OCR. Claimants will be automatically notified by the computer within a week if there is a problem on their claim.

Eventually, employer quarterly tax reports will be processed by OCR, greatly reducing handling time and keypunch errors. The OCR will alleviate the pinch of budget reductions while increasing our quality of service to the taxpayer.□

## HOURS & EARNINGS – MARKET EXPECTATIONS

*Mark Hunt*

The market place is forever striving for a balance between supply and demand. Should buyers find their desires out of step with what is available or the producer/seller be unable to reasonably predict demand and price for what is offered, a disequilibrium will result. Interject a multitude of external variables and the dynamics of supply and demand become anything but simple. Oregon's economy, for better or worse, is part of this topsy-turvy world and can exert little control over the ups and downs of the national and international markets in which it participates.

With little control over market forces, participants must rely on their expectations to make those critical buy and sell decisions. These decisions can spell the difference between success and failure. A measure of employer expectations is possible by tracking changes in workweek averages and employment levels. A test of the confidence in employer expectations is also possible. Simply put, employers will choose to initially increase hours worked by existing staff before hiring additional workers to increase output. The reasons are purely economic. It is more cost effective in the short run to work longer hours than to prematurely incur the long run costs (training, taxes, equipment) of hiring a new employe. Conversely, employers will also choose first to reduce the average workweek before cutting employes. This minimizes future costs such as retraining and unemployment insurance, and "protects" the jobs of those on the payroll - the altruistic motive.

These confidence indicators are well illustrated during the sharp turnaround experienced last year by Lumber and Wood Products. Escalating residential construction activity spurred an upsurge in demand and price evoking nearly a 30% increase in production output by Oregon mills. Favorable prices and increased product demand initially translated to a longer workweek during the early months of 1983. This was followed closely by hiring more workers to maintain output levels while reducing the costs associated with overtime scheduling. Still, because of the severity of the downturn, reliance remained focused on extended overtime hours to maintain production levels. The wisdom of this decision became evident during the second half of 1983, when prices headed downward. Average weekly hours slipped but with less disruption to employment than might have been expected.

Prices for Lumber and Wood Products started off well again in 1984, then began a two month slide. Uncertainty has again left employers reluctant to hire, relying instead on changes in workweek scheduling to accommodate production needs. The .9 increase in hours in the wood products industry for April was in response to an upswing in orders but lacked the surety necessary to add more employes.

Increased production activity has taken hold in Other Durable Goods such as Machinery and Primary Metals. Demand for basic metals to repair or replace plant and equipment has boosted weekly hours for Primary Metals by 3.9 over year ago levels. The infusion of 1,300 additional workers over the year pushed hourly earnings $.79 lower. Sharing a like increase in production worker employment, Machinery also posted strong gains in its workweek average. Outlays for cost-cutting technology and capital goods are climbing as firms strive to improve productivity and lower production costs. The net result has been an increase in orders for Oregon's high-tech manufacturers. Though the influx of new employes has held hourly earnings down, demand has been sufficient to sustain workweek averages above the 40 hour benchmark, so far in 1984. The added bonus is that such expansion may foster additional growth and diversity.

Construction in Oregon continues to suffer. High interest rates are a major problem that has been compounded by the outmigration of those unable to find work. The net effect on residential construction is a double whammy of too few people able to afford the costs of borrowing and a glut of existing homes left vacant by those leaving. This has left construction at historic lows for both employment and hours worked. The singular bright spot over the past several months has been Heavy Construction, where policy decisions to refurbish the state's roads and bridges provided the impetus for improvement.

The average workweek for Trade rose .9 in April, but belies a recent softening in consumer demand. One bright spot has been auto sales, which is 13% ahead of year ago levels. Weekly hours in Wholesale Trade have actually shown an over the year decline of .6. As confidence in the recovery grows, those sectors affected by consumer spending can also be expected to benefit.

The problems faced by Oregon industries are not likely to disappear soon. The healing process is a protracted affair with the transition from recession to prosperity bound to have a few bumps along the way. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | Apr.2/ 1984 | Mar.3/ 1984 | Apr. 1983 | Apr.2/ 1984 | Mar.3/ 1984 | Apr. 1983 | Apr.2/ 1984 | Mar.3/ 1984 | Apr. 1983 |
| TOTAL MANUFACTURING 4/ | $412.38 | $408.97 | $399.50 | 39.5 | 39.4 | 38.9 | $10.44 | $10.38 | $10.27 |
| Durable Goods | 425.25 | 417.35 | 414.32 | 40.5 | 39.9 | 39.8 | 10.50 | 10.46 | 10.41 |
| Lumber & Wood Products | 440.92 | 430.75 | 432.42 | 40.6 | 39.7 | 40.3 | 10.86 | 10.85 | 10.73 |
| Logging & Sawmills | 469.68 | 454.28 | 464.94 | 40.7 | 39.4 | 40.5 | 11.54 | 11.53 | 11.48 |
| Veneer & Plywood | 452.50 | 444.85 | 431.58 | 41.4 | 40.7 | 40.6 | 10.93 | 10.93 | 10.63 |
| Millwork & Struct Wood | 322.10 | 335.62 | 317.77 | 38.3 | 39.3 | 38.8 | 8.41 | 8.54 | 8.19 |
| Mobile Homes | 316.09 | 277.29 | 333.33 | 37.9 | 35.1 | 40.7 | 8.34 | 7.90 | 8.19 |
| Other Wood Products | 461.31 | 444.58 | 412.27 | 42.4 | 40.9 | 40.3 | 10.88 | 10.87 | 10.23 |
| Furniture & Fixtures | 244.14 | 264.88 | 253.23 | 31.1 | 34.4 | 34.5 | 7.85 | 7.70 | 7.34 |
| Primary Metals | 501.83 | 494.89 | 486.46 | 42.6 | 42.7 | 38.7 | 11.78 | 11.59 | 12.57 |
| Fabricated Metals | 382.78 | 380.62 | 392.83 | 38.9 | 38.1 | 39.8 | 9.84 | 9.99 | 9.87 |
| Machinery | 412.46 | 411.03 | 401.66 | 41.0 | 40.1 | 38.0 | 10.06 | 10.25 | 10.57 |
| Nondurable Goods | 374.78 | 383.55 | 356.93 | 36.6 | 37.9 | 36.2 | 10.24 | 10.12 | 9.86 |
| Food & Kindred Products | 309.56 | 308.60 | 294.46 | 34.9 | 35.8 | 34.4 | 8.87 | 8.62 | 8.56 |
| Canning & Preserving | 248.74 | 251.08 | 222.22 | 32.6 | 34.3 | 31.7 | 7.63 | 7.32 | 7.01 |
| Other Food Products | 401.66 | 392.27 | 395.75* | 38.4 | 37.9 | 38.2 | 10.46 | 10.35 | 10.36 |
| Textile Mill Products | 223.80 | 225.62 | 215.57 | 37.3 | 38.7 | 36.6 | 6.00 | 5.83 | 5.89 |
| Apparel | 211.76 | 210.60 | 192.95 | 36.7 | 38.5 | 36.2 | 5.77 | 5.47 | 5.33 |
| Paper & Allied Products | 574.24 | 570.21 | 542.84 | 40.9 | 41.2 | 41.0 | 14.04 | 13.84 | 13.24 |
| Printing & Publishing | 374.42 | 443.87 | 376.53 | 34.1 | 38.1 | 33.8 | 10.98 | 11.65 | 11.14 |
| Construction 4/ | 486.25 | 483.31 | 497.06 | 32.7 | 32.7 | 31.7 | 14.87 | 14.78 | 15.68 |
| Communications & Utilities 5/ | 470.73 | 476.08 | 444.29 | 39.0 | 38.8 | 38.6 | 12.07 | 12.27 | 11.51 |
| Trade 5/ | 294.46 | 283.41 | 279.96 | 34.4 | 33.5 | 34.1 | 8.56 | 8.46 | 8.21 |
| Wholesale Trade | 390.10 | 379.01 | 379.39 | 37.8 | 37.6 | 38.4 | 10.32 | 10.08 | 9.88 |
| Retail Trade | 247.54 | 237.20 | 231.68 | 32.7 | 31.5 | 32.0 | 7.57 | 7.53 | 7.24 |
| Banking & Insurance | 281.00 | 274.15 | 264.97 | | | | | | |
| State & Local Government | 315.55 | 316.16 | 303.68 | | | | | | |

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1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

# OREGON LABOR AREA UNEMPLOYMENT RATES

*Graham Slater*

The April issue of Oregon Labor Trends contained a table comparing 1982 and 1983 average unemployment rates for each state across the nation. This month's issue contains a similar table for the counties and labor market areas of Oregon. Few people give thought to the varying circumstances across the state. But consider a Baker County resident who may not be too thrilled to hear that the statewide rate fell to 10.8% when his home county is experiencing unemployment in excess of 17%! Why is there such a range of rates across the state? What do those counties with the highest rates have in common? Why have some counties suffered so little? Let us briefly address these and other questions.

The first point to note is that although 1983 showed some improvements over 1982, in most areas the recovery is by no means complete, employment being well below pre-recession levels. Due to the distribution of the labor force around the state, only 9 areas lie below the statewide unemployment rate while 22 have rates which exceed it.

The second point to understand is that the rise and fall of the lumber and wood products industry affects the economy of almost every area of the state. In general, high unemployment rates have been linked to decreasing employment in this industry (which may have a ripple effect on other industries in the area), and areas showing improvement are those experiencing significant increases in their lumber employment.

Baker County, with by far the worst unemployment rate in the state, experienced problems in lumber and wood. But even when that industry began to improve, cattle prices stayed low and reduced the spending power of many local residents. This adversely affected trade and services employment which dropped by 100 and 90 respectively in 1983. Mining and quarrying employment was also down due to low mineral prices and low levels of construction activity. One more unique factor in Baker County was the willingness of the population to stay in the county and wait for things to improve. Many areas with similarly high unemployment rates experienced significant out-migration but Baker's population held steady.

The next group of counties can all relate their rates directly or indirectly to lumber and wood. Coos County experienced losses of government jobs in federal forestry programs, an indirect result of the lumber decline. Harney's unemployment rate was affected more directly, reaching 23.1% in May 1983. Grant County suffered more than most - rates were consistently above 20%, peaking at 26.9%, but this county does offer a spark of hope for the future: A new mill is scheduled to open within the next few weeks.

Some counties which experienced improvements in their lumber employment in 1983 found their recovery marred by problems in other sectors. Coos was an example. Linn County suffered from declining employment in primary metals and machinery, while construction was stable at less than half its pre-recession levels. Hood River County enjoyed good recoveries in lumber and trade, as well as a strong fresh fruit market, but was hurt by the closure of a cannery contributing to the loss of almost 300 seasonal jobs. Moving on down the list, declines in employment slowed the recovery trend in Douglas (primary metals), Tillamook (government and service) and Clatsop (food products).

Oregon Local Area Unemployment Rates 1983 & 1982

| County | 1983 Rank | 1983 | 1982 | Change |
|---|---|---|---|---|
| Oregon | -- | 10.8 | 11.5 | -0.7 |
| Baker | 1 | 17.3 | 16.6 | 0.7 |
| Coos | 2 | 14.3 | 14.3 | 0.0 |
| Harney | 3 | 14.2 | 14.1 | 0.1 |
| Grant | 4 | 13.9 | 20.4 | -6.5 |
| Linn | 5 | 13.5 | 15.0 | -1.5 |
| Hood River | 6 | 13.2 | 14.8 | -1.6 |
| Josephine | 7 | 12.8 | 15.2 | -2.4 |
| Deschutes | 8 | 12.7 | 16.0 | -3.3 |
| Douglas | 8 | 12.7 | 17.2 | -4.5 |
| Tillamook | 10 | 12.5 | 15.8 | -3.3 |
| Curry | 11 | 12.3 | 16.3 | -4.0 |
| Malheur | 12 | 12.1 | 10.2 | 1.9 |
| Wasco/Sherman | 13 | 11.9 | 12.7 | -0.8 |
| Clatsop | 14 | 11.8 | 12.4 | -0.6 |
| Yamhill | 14 | 11.8 | 12.1 | -0.3 |
| Medford MSA (Jackson Co.) | 16 | 11.7 | 14.4 | -2.7 |
| Klamath | 17 | 11.6 | 14.0 | -2.4 |
| Crook | 18 | 11.5 | 18.0 | -6.5 |
| Umatilla | 19 | 11.4 | 11.8 | -0.4 |
| Eugene/Springfield MSA | 20 | 11.2 | 12.5 | -1.3 |
| Lake | 21 | 11.0 | 13.0 | -2.0 |
| Lincoln | 21 | 11.0 | 11.4 | -0.4 |
| Wallowa | 23 | 10.6 | 11.4 | -0.8 |
| Jefferson | 24 | 10.4 | 10.2 | 0.2 |
| Wheeler | 25 | 10.3 | 10.0 | 0.3 |
| Union | 26 | 10.2 | 12.9 | -2.7 |
| Portland MSA | 27 | 10.1 | 10.1 | 0.0 |
| Salem MSA | 27 | 10.1 | 10.5 | -0.4 |
| Columbia | 29 | 9.9 | 12.3 | -2.4 |
| Morrow | 30 | 9.3 | 10.4 | -1.1 |
| Benton | 31 | 6.2 | 6.5 | -0.3 |
| Gilliam | 32 | 6.0 | 5.9 | 0.1 |

Two areas not as dependent on lumber and wood products found that they were not exempt from the effects of the recession. Malheur suffered losses in food products, trade and services. Though these improved toward the end of 1983, Malheur's unemployment rate increased more than any area of Oregon between 1982 and 1983. Wasco/Sherman enjoyed improvements in food processing and services, but these were partially offset by a fall in aluminum smelting employment.

Much of the previous discussion has centered on lumber and wood products. Some areas, however, have a sufficiently diverse economy that the problems specific to this industry do not dictate their entire economic outlook. Salem MSA and Portland MSA, which ended 1983 with identical annual average rates, are examples of this. They have some stable and consistent employment stemming from a broad economic base. The table does hide certain structural changes in the unemployment rates however. Both areas experienced improvements in lumber and wood, trade and services. Construction and finance employment however fell in Salem, and durable goods manufacturing as a whole fell in Portland.

The final four counties, all having annual averages under the double digit level, each has some unique characteristic. Columbia County's rate improved in part due to a lumber and wood recovery, but also due to a population decrease and an increasing number of commuters traveling to the Portland and Longview/Kelso labor markets. Morrow, growing rapidly before the recession, saw a maximum rate of 14.0%. Consistent agricultural employment combined with improvements in food products employment have helped this county through the recession.

Benton County and the Eugene/Springfield MSA have one thing in common - a University, which in both cases has provided stability and prevented much higher rates from prevailing. Educational employment accounts for 15% of Eugene's wage and salary employment and 25% of Benton's compared to 9.5% statewide.

Gilliam County has survived the recession better than any other county. It relies mostly on agriculture for industry, and has been able to adequately support and employ its population.

Is the overall picture bright? The temptation is to oversimplify. Improvements were made in most counties in 1983, but few changes were significant enough to be really convincing. However, a few counties did offer real hope, in some very different ways. Deschutes saw improvements in four major areas, a good sign for this fast growing area. Crook and Grant Counties proved that even those areas heavily dependent on lumber and wood can make an impressive recovery, both improving their rates by 6.5 percentage points.

Union County is worthy of mention because its mills were able to continue production, albeit at lower levels, all through the recession with no major layoffs. Thus, when the recovery started production increased rapidly, helping the area to move quickly toward a real improvement in its own economy. Jefferson County provides our other sign of hope. Due in part to a fairly diverse economy, employment levels in Jefferson are only marginally short of pre-recession levels, something which can be said of very few areas statewide.

These unemployment rates are still too high. But our situation can continue to improve so long as demand for and employment in lumber and wood products at least maintains. If interest rates are controlled, construction will be encouraged and demand for Oregon's major product will ensure that our 1984 annual average rates show significant declines from the 1983 levels.□

## NEW PUBLICATIONS

Earlier this year the Oregon Employment Division's Research and Statistics section published sixteen Economic Survey Analysis reports intended primarily to support program planning under the Job Training Partnership Act (JTPA). These comprehensive reports included data and analysis on population, labor force, industry, occupations, income, and wages for counties and groups of counties in Oregon.

For those who are interested only in a summary of the major trends, the Division has prepared brief Executive Summaries for each of these economic reports. A limited number of copies are available upon request.□

## OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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# OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

JULY 1984

## JUNE INDICATORS

### UNEMPLOYMENT RATE

| *Oregon* | S.A. |
|---|---|
| June '84 | 9.3 |
| May '84 | 9.1 |
| *U.S.* | |
| June '84 | 7.1 |
| May '84 | 7.5 |

### WAGE AND SALARY EMPLOYMENT INDEX

| *Oregon* | 1977=100 |
|---|---|
| June 1984: | 105.6 |
| May 1984: | 105.9 |
| Apr. 1984: | 106.0 |
| Mar. 1984: | 106.0 |
| Feb. 1984: | 106.0 |

### DIFFUSION INDEX

| *Oregon* | |
|---|---|
| June 1984: | 54.3 |
| May 1984: | 57.0 |
| Apr. 1984: | 63.6 |
| Mar. 1984: | 65.9 |
| Feb. 1984: | 62.8 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| *Oregon* | |
|---|---|
| May 1984: | 39.5 |
| Apr. 1984: | 39.5 |
| May 1983: | 39.0 |

### CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

| *Portland SMSA* | |
|---|---|
| May 1984 | 301.9 |
| Yearly Change | + 4.6% |
| *U.S.* | |
| June 1984 | 310.7 |
| Yearly Change | + 4.2% |

Portland Hotline 221-4132

## MONTHLY ECONOMIC ANALYSIS

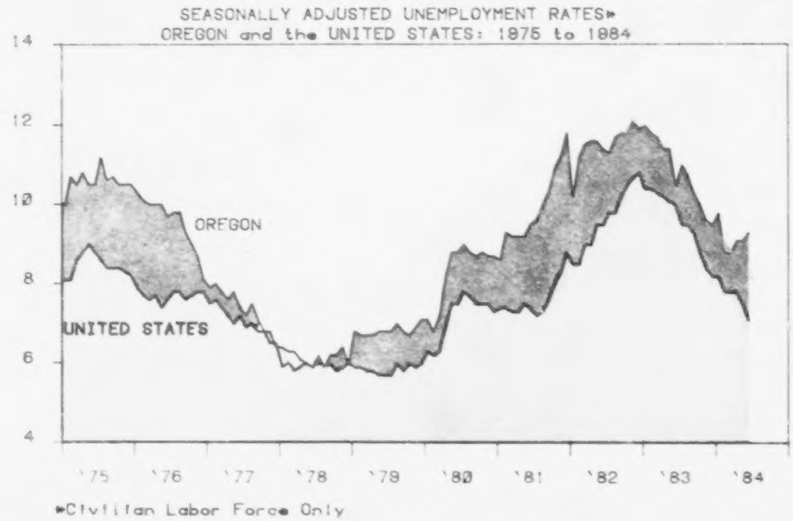
*Graham Slater*

"Summertime ... and the livin' is easy". Oregonians may be forgiven for doubting the validity of these famous words after the wettest June since 1937 ended with less-than-encouraging economic news.

The seasonally adjusted unemployment rate for Oregon rose to 9.3% in June from 9.1% in May. June's rise was particularly disappointing after the 8.8% rate of February and March. Total employment increased by a little over 25,000, but the number of unemployed also rose by 200, running counter to the improvement expected at this time of year. To give a longer term perspective on these data, the unemployment rate in June 1983 was 10.5%.

Nationally the June civilian rate was 7.1%, down from 7.5% in May, adding weight to suggestions that Oregon's recovery is slipping behind the much-heralded national improvements.

The Oregon Diffusion Index, considered an important indicator of both short and long-term employment trends, fell to 54.3 in June. Though this is the third consecutive month in which the index has fallen, it is also the 16th consecutive month above 50.0, an encouraging sign of a growing economy. However, if the index continues to deteriorate and falls below 50.0, particularly over several months, this would be a worrisome sign as we look toward late 1984 and 1985.



## RESIDENT OREGON LABOR FORCE

| | June 1984 1/ | May 1984 2/ | Change | % Change | June 1983 5/ |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,341,300 | 1,315,400 | 25,900 | 2.0 | 1,379,200 |
| Unemployment | 123,100 | 122,900 | 200 | 0.2 | 140,500 |
| Percent of Labor Force | 9.2 | 9.3 | xxx | xxx | 10.2 |
| Seasonally Adjusted Percent | 9.3 | 9.1 | xxx | xxx | 10.5 |
| Total Employment 4/ | 1,218,200 | 1,192,500 | 25,700 | 2.2 | 1,238,700 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | June 1984 1/ | May 1984 2/ | June 1983 | Change From May 1984 | Change From June 1983 |
|---|---|---|---|---|---|
| TOTAL 3/ | 1,006,400 | 993,900 | 988,900 | 12,500 | 17,500 |
| Wage & Salary Employment Index 4/ | 105.6 | 105.9 | 104.1 | xxx | xxx |
| Diffusion Index 5/ | 54.3 | 57.0 | 63.5 | xxx | xxx |
| Total Manufacturing | 199,000 | 195,600 | 192,800 | 3,400 | 6,200 |
| Durable Goods | 144,900 | 143,300 | 137,200 | 1,600 | 7,700 |
| Lumber & Wood Products | 66,600 | 65,300 | 65,100 | 1,300 | 1,500 |
| Logging & Sawmills | 35,000 | 33,700 | 34,300 | 1,300 | 700 |
| Veneer & Plywood | 17,300 | 17,400 | 17,800 | - 100 | - 500 |
| Millwork & Structural Wood | 8,500 | 8,400 | 7,700 | 100 | 800 |
| Mobile Homes | 1,800 | 1,800 | 1,600 | 0 | 200 |
| Other Wood Products | 4,000 | 4,000 | 3,700 | 0 | 300 |
| Furniture & Fixtures | 2,100 | 2,200 | 2,400 | - 100 | - 300 |
| Stone, Clay, Glass, & Concrete | 3,300 | 3,100 | 3,200 | 200 | 100 |
| Primary Metals | 8,700 | 8,800 | 7,400 | - 100 | 1,300 |
| Blast Furnaces, Iron & Steel | 4,800 | 4,800 | 3,900 | 0 | 900 |
| Nonferrous Metals | 3,900 | 4,000 | 3,500 | - 100 | 400 |
| Fabricated Metals | 10,000 | 9,800 | 9,400 | 200 | 600 |
| Fabricated Structural Metals | 4,500 | 4,400 | 4,200 | 100 | 300 |
| Other Fabricated Metals | 5,500 | 5,400 | 5,200 | 100 | 300 |
| Machinery | 16,100 | 15,900 | 15,100 | 200 | 1,000 |
| Electrical Equipment & Supplies | 12,600 | 12,200 | 10,400 | 400 | 2,200 |
| Transportation Equipment | 8,400 | 8,900 | 7,300 | - 500 | 1,100 |
| Instruments & Related Products | 14,600 | 14,600 | 14,600 | 0 | 0 |
| Miscellaneous Manufacturing | 2,500 | 2,500 | 2,300 | 0 | 200 |
| Nondurable Goods | 54,100 | 52,300 | 55,600 | 1,800 | - 1,500 |
| Food & Kindred Products | 22,900 | 21,700 | 26,100 | 1,200 | - 3,200 |
| Canning & Preserving | 12,800 | 11,400 | 16,100 | 1,400 | - 3,300 |
| Other Food Products | 10,100 | 10,300 | 10,000 | - 200 | 100 |
| Textile Mill Products | 1,800 | 1,800 | 1,600 | 0 | 200 |
| Apparel | 2,800 | 2,700 | 2,500 | 100 | 300 |
| Paper & Allied Products | 9,600 | 9,300 | 9,400 | 300 | 200 |
| Printing & Publishing | 11,000 | 10,800 | 10,200 | 200 | 800 |
| Chemicals & Allied Products | 2,300 | 2,300 | 2,200 | 0 | 100 |
| Petroleum Refining | 500 | 500 | 500 | 0 | 0 |
| Rubber & Plastic Products | 2,700 | 2,700 | 2,600 | 0 | 100 |
| Leather Products | 500 | 500 | 500 | 0 | 0 |

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | June 1984 | May 1984 | June 1983 | Change From May 1984 | Change From June 1983 |
|---|---|---|---|---|---|
| (cont.) | | | | | |
| Total Nonmanufacturing | 807,400 | 798,300 | 796,100 | 9,100 | 11,300 |
| Mining & Quarrying | 2,200 | 2,000 | 1,800 | 200 | 400 |
| Construction | 28,100 | 25,800 | 27,600 | 2,300 | 500 |
| Transportation, Communications, & Utilities | 56,000 | 55,600 | 55,900 | 400 | 100 |
| Transportation | 33,300 | 33,000 | 31,900 | 300 | 1,400 |
| Railroad | 5,500 | 5,400 | 5,400 | 100 | 100 |
| Trucking & Warehousing | 17,500 | 17,200 | 16,700 | 300 | 800 |
| Other Transportation | 10,300 | 10,400 | 9,800 | - 100 | 500 |
| Communications | 14,300 | 14,300 | 15,200 | 0 | - 900 |
| Utilities | 8,400 | 8,300 | 8,800 | 100 | - 400 |
| Trade | 252,100 | 248,300 | 246,300 | 3,800 | 5,800 |
| Wholesale Trade | 63,600 | 62,900 | 62,500 | 700 | 1,100 |
| Durable Goods | 37,600 | 37,100 | 37,000 | 500 | 600 |
| Nondurable Goods | 26,000 | 25,800 | 25,500 | 200 | 500 |
| Retail Trade | 188,500 | 185,400 | 183,800 | 3,100 | 4,700 |
| General Merchandise | 24,400 | 24,200 | 23,300 | 200 | 1,100 |
| Food Stores | 28,100 | 27,600 | 28,300 | 500 | - 200 |
| Auto Dealers & Service Stations | 23,700 | 23,500 | 22,400 | 200 | 1,300 |
| Other Retail Trade | 112,300 | 110,100 | 109,800 | 2,200 | 2,500 |
| Finance, Insurance, & Real Estate | 66,500 | 66,300 | 65,500 | 200 | 1,000 |
| Banking & Credit Agencies | 23,400 | 23,500 | 23,400 | - 100 | 0 |
| Other Finance, Insurance, & Real Estate | 43,100 | 42,800 | 42,100 | 300 | 1,000 |
| Services | 201,400 | 199,700 | 197,200 | 1,700 | 4,200 |
| Hotels & Personal Services | 25,100 | 24,000 | 23,900 | 1,100 | 1,200 |
| Health Services | 68,500 | 67,900 | 67,100 | 600 | 1,400 |
| Other Services | 107,800 | 107,800 | 106,200 | 0 | 1,600 |
| Government | 201,100 | 200,600 | 201,800 | 500 | - 700 |
| Federal Government | 30,200 | 29,500 | 30,300 | 700 | - 100 |
| State Government | 53,700 | 53,000 | 54,100 | 700 | - 400 |
| Education | 22,800 | 22,900 | 22,400 | - 100 | 400 |
| Other State | 30,900 | 30,100 | 31,700 | 800 | - 800 |
| Local Government | 117,200 | 118,100 | 117,400 | - 900 | - 200 |
| Education | 74,900 | 76,100 | 74,300 | -1,200 | 600 |
| Other Local | 42,300 | 42,000 | 43,100 | 300 | - 800 |
| Labor-Management Disputes | 600 | 600 | 700 | 0 | - 100 |

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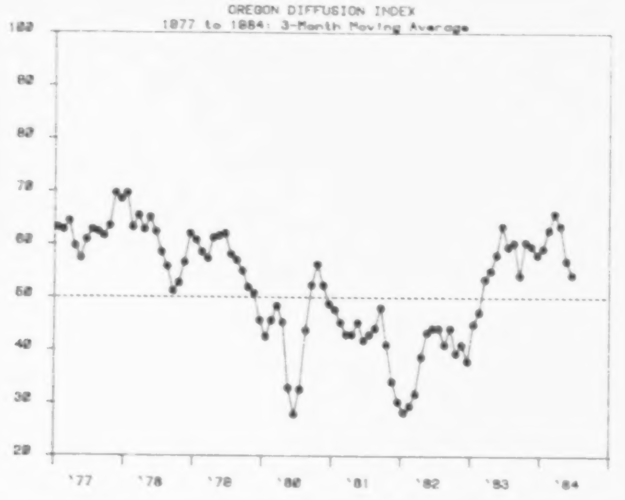
1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.



The Nonagricultural Wage and Salary Employment Index fell from its May level of 105.9 to 105.6 in June, compared to 104.1 in June 1983. Nonfarm wage and salary employment actually grew by 12,500 from May to June, moving past the million mark for the first time since November 1981. However, the increase in employment was not as large as seasonally expected, and therefore the index took a tumble. Small improvements appeared to be the story for the month. Unfortunately, none were large enough to be attributed to economic improvements rather than normal seasonal fluctuations.

In the manufacturing sector economic news was dominated by two industries: Lumber and Wood Products and Food and Kindred Products. In the Lumber and Wood industry 1,300 new employees were added during the month, but this figure is less than half the number expected in June. Also, lumber prices have fallen substantially since earlier this year. A variety of reasons offered for this discouraging turnabout from the optimistic scenario of a few months ago are:

- Interest rates continued to rise with the Prime Rate reaching 13% in June reinforcing producers fears that predictions of further increases may be accurate.

- Inventories, built up rapidly when recovery seemed assured, now look too high and uneasy producers are eager to reduce them.

- Housing starts, affected by both interest rates and the weather, have fluctuated wildly in recent months. Seasonally adjusted, the housing starts rate plummeted 26.6% in March, jumped to 19% in April, then fell again in May by 10.5%. Also, the mix of housing starts has changed to include a greater percentage of multi-family units, which require one-third less material in construction.

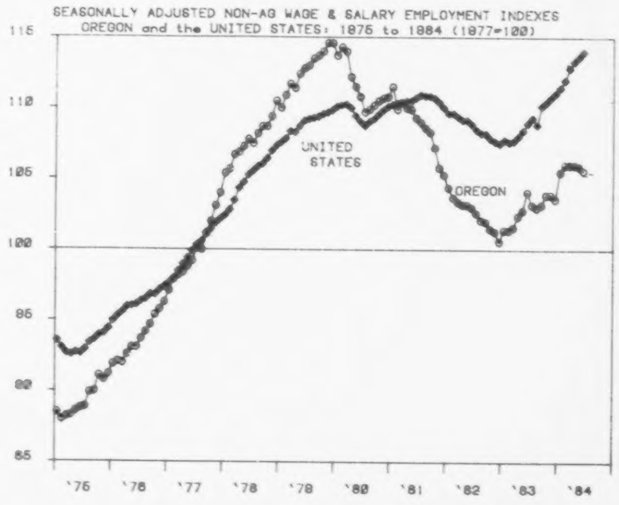
Despite all these problems, the feeling within the industry seems to be that scheduled mill closures for vacations and repairs will at least help bring down inventories. This should mean that long-term mill closures will not be widespread.

Other Durable Goods industries within the manufacturing sector were much more stable. The Electrical Equipment and Supplies industry increased employment by 400 over the month and by 2,200 over the year. Other notable increases occurred in Fabricated Metals and Machinery (both +200). Transportation Equipment was the main loser, down 500 over the month, but still 1,100 above year ago levels. All these industries combined to give the Other Durable Goods manufacturers a seasonally adjusted gain of 100 over the month.

In Food and Kindred Products, employment climbed by 1,200 through June, but we would normally expect a rise in this industry of 2,700. The weather, starting with a freezing December, was the main cause of the employment shortfall . Then a cold and wet April and May led to a June which accumulated 4.19 inches of rain, almost 3 inches above normal. All of this unfavorable weather delayed the harvesting of early ripening crops such as strawberries and cherries. The move toward frozen foods has smoothed out some of the seasonal swings. The industry, however, still experiences significant employment swings from winter into summer, and throughout the various harvest seasons. Employment in this industry was more than 3,000 below the 1983 level.

The overall picture in nonmanufacturing was much more positive. Even so, seasonally adjusted Government employment took a big dive, dropping by 1,200 employees. Most of this was a result of shrinking summer work programs coupled with the general uncertainty over future funding.

Better news prevailed in the Construction industry where 2,300 employees were added over the month - a significant increase of 700 after seasonal adjustment. Much of this increase came in the area of Heavy Construction (+1,100) and Specialty Trades (+500). The improvements in this industry would be even more substantial were it not for the continuing slowness of the housing market. Fortunately, the month of May continued to give encouraging news in the commercial/industrial construction market, with a hefty increase in the number of new permits



filed. In addition, the State Department of Transportation announced early in June that $150 million will be allocated for highway maintenance and new construction during the remainder of 1984. This could provide a major boost to hard-pressed construction companies.

The largest single employment gain came in the Trade sector, with a jump of 3,800 jobs. Though some increase is always anticipated at this time of year, this gain was 1,100 more than expected. Two main reasons stand out. First, consumers are ready to buy major items ranging from automobiles to VCRs to sporting goods. In short, all those postponed purchases are now being bought with vigor, increasing demand for credit as well as for the goods themselves. Second, the vacation season is upon us and from Eastern Oregon to the coast, the hope is for a record-breaking year. Local residents are being encouraged to vacation at home and experience the delights of their own state as part of a summer campaign by the Oregon Economic Development Department's Tourism Division. In addition, a large number of out-of-state visitors are anticipated, partly as a spinoff of the Summer Olympics in Los Angeles. Employment in Services increased by 1,700 (the largest June increase since 1974) as hotels and motels geared up for the influx of tourists. Significant employment gains were also found in eating and drinking establishments. The optimism surrounding tourism is also reflected outside the Trade and Services sectors. In Central Oregon alone, tourism-related construction projects worth $14.6 million were announced during the first three months of 1984.

A major point of interest during the coming months will be Oregon's ability to attract new and more diverse industry to the area. In May, Nippon Electric Co. America announced plans to build a plant in Hillsboro which will employ 300 people by 1987. Good news followed good news as National Semiconductor Corp. announced more immediate plans to open a research and development laboratory northwest of Portland this summer. The plant will employ "a few dozen people" initially, growing to 100 "when things get rolling".

In conclusion, June was a month when Oregon's economy did not make much headway. There was nothing to suggest that disaster hovers nearby, but the gradual slippage over several months does indicate that the recovery is losing momentum. Interest rates will remain the crucial factor throughout the year. Other important factors will be Oregon's continuing ability to attract a diverse variety of industries and the ability of the Lumber and Wood Products industry to come out of the recession with more efficient plants and perhaps even some improved product ideas.□

## HOURS AND EARNINGS

*Mark Hunt*

For some, the future will be difficult. An unbalanced U.S. fiscal policy burdens Oregon's economy, leaving it and the rest of the Pacific Northwest playing catch up to other regions of the nation in terms of development and recovery of basic industries. The long-term impact of the recession has also created some discomfort which may be considered beneficial to the state and region. Economic growth is not easy, especially when it involves structural changes such as the evolution of industries requiring new skills of an already skilled labor force. Orienting a labor force away from declining industries is not easy, but does offer more security through diversification. Eroding dominance of traditional industries is not all bad either. Institutions such as Oregon's Lumber and Wood Products industries will survive - and survive more competitively!

Oregon is subject to external forces such as the interest rate tightrope over which the state has little control. Oregon's future strength lies in the structural changes now occurring, not only in the ebb and growth of basic industries, but also in the labor force as well. Currently, Oregon rates very near the top in average hourly earnings for the nation. The severity of the recession boosted the earnings rate even higher by reducing openings for lower paid new entrants into the workforce. These high earnings have been both a blessing and a millstone. Structural changes in wage rates have occurred. Of note are the Construction and Food Processing sectors which negotiated decreases in wage rates. Added to this are the large number of workers who took pay cuts so that employers could remain in operation.

Leaner, more efficient companies are now trying to plan ahead. Should they look forward to continued growth such as has occurred over the past 18 months, or brace themselves for still higher interest rates and thus declining revenues? Because of the structural changes occurring and the different direction this recovery is taking, largely due to changes in national policy, the time-honored answers may no longer apply.

Oregon's Lumber and Wood Products industry walks an interest rate tightrope that has below it falling demand and prices. As one industry economist put it, "There's just too much supply chasing the market". The result has been a modest decline in the work week average and less than normal hiring by many. Further corrections to the oversupply problem are expected as firms plan for scheduled vacation and maintenance shutdowns which may be extended.

While Lumber and Wood Products is having its problems, Other Durables is showing surprising strength. Manufacturers of capital goods have plenty to do as evidenced in the work week averages. All sectors except Furniture and Fixtures hover very near or above the 40 hour benchmark. Nationally, orders for durable goods rose an impressive 3.3 percent. Even though interest rates are high, the actual impact on buyers of capital goods is not so direct. Faster depreciation allowances, purchases financed from increased profits, and incentives to replace worn out equipment offer the drive behind the increased activity.

Recent cutbacks by the aluminum industry do warrant a word of caution, however. Rising interest rates may push real costs to the point where demand for capital expenditures is stifled. Prudent participants among Oregon's Other Durable producing firms will likely continue to expand -- but conservatively.

May was a good month for many food processing firms. Average hourly earnings fell $.07 in Canning and Preserving, while weekly hours climbed 1.5. This good fortune was not shared equally by all food processors. Tough times for Seafood processors and specialty foods dimmed what otherwise might have been an even brighter report for Food and Kindred Products.

Increased demand for natural fiber products and recreational apparel has beefed up order files for Textile and Apparel manufacturers. Evidence of growing demand is also reflected by workweek averages that have climbed 2.0 hours for each sector over the year.

Hourly earnings for Construction workers fell $.48 from April to May. Falling earnings stem from two factors: first, the addition of 1,800 workers, and second, the reduction in wage scales by numerous crafts. The work week average has also remained soft because of the weakness still evident in residential construction. However, some improvement has occurred from the increase in commercial and public works projects. Not all construction activity shares the same degree of interest sensitivity. Funding sources play an important role as well. Bond issues, gas tax revenues, and institutional loans supply the funding for construction projects. The long lead time for commercial projects insulates these activities somewhat from recent jumps in interest costs, so the spread between Heavy and Residential Construction can be expected to grow.

Trade activity hit a lull in May, with hourly earnings, weekly hours, and production worker employment all reporting modest losses. However, buried among the reported figures are encouraging signs of strength, especially in those areas linked to rising tourism and recreational activities.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | May 2/ 1984 | Apr.3/ 1984 | May 1983 | May 2/ 1984 | Apr.3/ 1984 | May 1983 | May 2/ 1984 | Apr.3/ 1984 | May 1983 |
| TOTAL MANUFACTURING 4/ | $413.96 | $412.38 | $401.70 | 39.5 | 39.5 | 39.0 | $10.48 | $10.44 | $10.30 |
| Durable Goods | 426.78 | 424.60 | 415.91 | 40.3 | 40.4 | 39.8 | 10.59 | 10.51 | 10.45 |
| Lumber & Wood Products | 440.88 | 439.43 | 439.43 | 40.3 | 40.5 | 40.5 | 10.94 | 10.85 | 10.85 |
| Logging & Sawmills | 474.78 | 464.94 | 473.34 | 41.0 | 40.5 | 40.7 | 11.58 | 11.48 | 11.63 |
| Veneer & Plywood | 446.22 | 456.09 | 435.49 | 40.9 | 41.5 | 40.7 | 10.91 | 10.99 | 10.70 |
| Millwork & Struct Wood | 311.22 | 320.12 | 317.38 | 36.7 | 38.2 | 38.8 | 8.48 | 8.38 | 8.18 |
| Mobile Homes | 294.79 | 309.00 | 348.57 | 34.6 | 37.5 | 41.3 | 8.52 | 8.24 | 8.44 |
| Other Wood Products | 451.66 | 464.95 | 425.49 | 40.8 | 42.5 | 40.6 | 11.07 | 10.94 | 10.48 |
| Furniture & Fixtures | 260.10 | 248.06 | 279.82 | 32.8 | 31.4 | 35.6 | 7.93 | 7.90 | 7.86 |
| Primary Metals | 498.53 | 498.31 | 495.46 | 42.5 | 42.7 | 39.7 | 11.73 | 11.67 | 12.48 |
| Fabricated Metals | 378.88 | 382.78 | 396.50 | 39.1 | 38.9 | 40.5 | 9.69 | 9.84 | 9.79 |
| Machinery | 411.26 | 414.32 | 391.40 | 40.8 | 40.9 | 38.0 | 10.08 | 10.13 | 10.30 |
| Nondurable Goods | 376.84 | 375.07 | 360.14 | 37.2 | 36.7 | 36.6 | 10.13 | 10.22 | 9.84 |
| Food & Kindred Products | 312.38 | 312.93 | 303.58 | 35.7 | 35.2 | 35.3 | 8.75 | 8.89 | 8.60 |
| Canning & Preserving | 263.31 | 254.21 | 231.57 | 34.6 | 33.1 | 32.8 | 7.61 | 7.68 | 7.06 |
| Other Food Products | 387.92 | 402.43 | 408.72 | 37.3 | 38.4 | 39.0 | 10.40 | 10.48 | 10.48 |
| Textile Mill Products | 228.92 | 223.94 | 211.45 | 37.9 | 37.2 | 35.9 | 6.04 | 6.02 | 5.89 |
| Apparel | 213.54 | 208.82 | 193.31 | 38.2 | 36.7 | 36.2 | 5.59 | 5.69 | 5.34 |
| Paper & Allied Products | 564.44 | 578.45 | 547.55 | 41.2 | 41.2 | 41.2 | 13.70 | 14.04 | 13.29 |
| Printing & Publishing | 403.20 | 370.36 | 374.00 | 35.0 | 33.7 | 34.0 | 11.52 | 10.99 | 11.00 |
| Construction 4/ | 478.29 | 482.48 | 494.40 | 33.4 | 32.6 | 32.0 | 14.32 | 14.80 | 15.45 |
| Communications & Utilities 5/ | 483.60 | 474.28 | 449.30 | 40.3 | 39.1 | 38.6 | 12.00 | 12.13 | 11.64 |
| Trade 5/ | 285.60 | 290.19 | 281.47 | 34.0 | 34.1 | 34.2 | 8.40 | 8.51 | 8.23 |
| Wholesale Trade | 382.13 | 389.72 | 381.38 | 37.5 | 37.8 | 38.1 | 10.19 | 10.31 | 10.01 |
| Retail Trade | 238.37 | 241.60 | 232.88 | 32.3 | 32.3 | 32.3 | 7.38 | 7.48 | 7.21 |
| Banking & Insurance | 273.68 | 281.33 | 271.75 | | | | | | |
| State & Local Government | 316.30 | 316.15 | 304.25 | | | | | | |

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1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

## LABOR SURPLUS AREAS

*Graham Slater*

Labor surplus areas are areas with high unemployment rates to which Federal contracts can be specifically directed. Rather than classifying these areas by metropolitan area or labor market area, the U.S. Department of Labor classifies them on the basis of civil jurisdictions. These are defined as all cities with a population of at least 50,000 and all counties.

A civil jurisdiction is classified as a labor surplus area when its average unemployment rate is at least 20 percent above the average unemployment rate for all states during the previous two calendar years. Two exceptions may occur during periods of high or low national unemployment. During periods of high national unemployment (national rate above 8.3%), an area is classified as a labor surplus area if its average rate is 10% or more. During periods of low national unemployment (national rate below 5.0%), a 6.0% 'floor' comes into effect. No area with an unemployment rate of less than 6.0% would be considered a labor surplus area.

Under certain very exceptional circumstances, an area not meeting any of the above criteria may be considered a labor surplus area if a significant increase in unemployment takes place which is not temporary or seasonal, and which was not reflected in the rate of the previous two years.

In 1982-83, the average unemployment rate for the U.S. was 9.6%. Therefore, the 10.0% 'ceiling' will be in effect. The following table lists those civil jurisdictions in Oregon with an average rate of 10.0% or more. These areas are expected to be classified as labor surplus areas for the fiscal year beginning October 1, 1984.

Note that this does not constitute an official list. However, if the criteria remain unchanged, the table does show which areas should be eligible for bidding preference on Federal contracts beginning October 1.□

1982-1983 Two-Year Average Unemployment Rate for Oregon Civil Jurisdictions

| Civil Jurisdiction | Unemployment Rate |
|---|---|
| U.S. | 9.6% |
| Oregon | 11.2 |
| Baker | 17.0 |
| Clatsop | 12.1 |
| Columbia | 11.1 |
| Coos | 14.3 |
| Crook | 14.7 |
| Curry | 14.3 |
| Deschutes | 14.3 |
| Douglas | 14.9 |
| Grant | 17.1 |
| Harney | 14.2 |
| Hood River | 14.0 |
| Jackson | 13.1 |
| Jefferson | 10.3 |
| Josephine | 14.0 |
| Klamath | 12.8 |
| Lake | 12.0 |
| Lane | 11.8 |
| Lane less City of Eugene | 13.2 |
| Lincoln | 11.2 |
| Linn | 14.3 |
| Malheur | 11.2 |
| Marion | 10.5 |
| Salem City | 10.3 |
| Marion less City of Salem | 10.4 |
| Multnomah | 10.5 |
| Portland City | 10.9 |
| Polk less City of Salem | 10.1 |
| Tillamook | 14.2 |
| Umatilla | 11.6 |
| Union | 11.6 |
| Wallowa | 11.0 |
| Wasco | 12.7 |
| Wheeler | 10.2 |
| Yamhill | 12.0 |

## NEW PUBLICATIONS

What occupations will be needed in 1990? The answer to this question is of vital interest to vocational program planners, job counselors, individuals making career decisions, and many others.

To help meet the need for information on tomorrow's labor market requirements, the Oregon Employment Division has published a report entitled Occupational Employment Trends in Oregon 1982-1990. This comprehensive report includes a general economic overview, employment projections by industry and occupation with supporting narrative analysis, and estimated annual job openings by occupations.

Similar reports are also being published for a number of local areas including:

| | |
|---|---|
| District 2 - | Portland MSA |
| District 3 - | Marion, Polk, Yamhill |
| District 4 - | Linn, Benton |
| District 5 - | Lane |
| District 6 - | Douglas |
| District 7 - | Coos, Curry |
| District 8 - | Jackson, Josephine |
| District 10- | Crook, Deschutes, Jefferson |
| District 12- | Gilliam, Grant, Morrow, Umatilla, Wheeler |

These reports will be available in August. To obtain a copy of any of these reports, please contact:

Employment Division - R & S
875 Union St NE
Salem OR 97311
Telephone 373-1818
Toll free in Oregon: 1-800-237-3710 Ext 3-1818 □

## THE EMPLOYERS CORNER

*Dorothy Monnier*

Twenty Job Service Employer Committees (JSECs) advise and critique the performance of the local employment office serving their area. In cooperation with your local JSEC, each issue of the Oregon Labor Trends features an article of special interest to employers.

On Friday, July 13, 1984 the Employment Division eliminated 188 staff positions. This work force reduction was the result of lower Unemployment Insurance (UI) workloads, shortage of UI Non-Personal Service (NPS) funds from the Department of Labor, a standstill Employment Service (ES) budget which does not account for increased costs, and the need to reduce management overhead. These cuts caused the most dramatic reorganization the Employment Division has undergone. Since July 13th, the Employment Division has been at the lowest ratio of management per staff since its creation.

The staff reduction included:

| | |
|---|---|
| 32.7 | positions in Employment Service |
| 151.7 | positions in Unemployment Insurance |
| 4.3 | positions in other programs |

As the UI workload increases in the fall and winter months, some production jobs will be restored and filled with seasonal employes.

Employment Division Administrator Ray Thorne appeared before the State Emergency Board on July 19 to request $1,306,223 spending authority from the Unemployment Insurance Penalty and Interest Funds. These monies are a special administration fund collected from Oregon employers who are late or delinquent in paying their U.I. taxes.

Thorne's request included $673,788 to cover the remaining deficit in UI/NPS funds, and $470,502 to restore 17 ES placement positions in the field. Job openings and placement activity have increased considererably this year.

| Placement activity: | Job Openings | Placement Transactions |
|---|---|---|
| Year Ending June 30, 1983 | 50,770 | 37,780 |
| Year Ending June 30, 1984 | 60,399 | 42,160 |

The request also included $161,933 to fund Targeted Jobs Tax Credit (TJTC) at its present level through the state biennium ending 6-30-85. Oregon employers have hired 11,222 employes eligible for TJTC who can potentially generate $50.5 million in tax credits. The Emergency Board approved the request as submitted.

The next "Employers Corner" will feature "The Future of the Employment Service". Become involved with this future by actively participating on your local JSEC. Contact your local office manager for further details.□

## OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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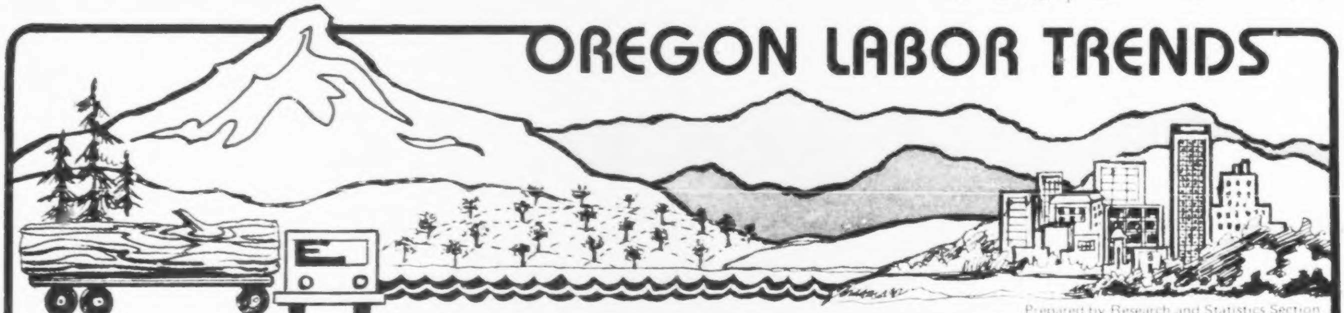


# OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

AUGUST 1984

## JULY INDICATORS

### UNEMPLOYMENT RATE

| *Oregon* | S.A. |
|---|---|
| July '84 | 9.3 |
| June '84 | 9.3 |
| *U.S.* | |
| July '84 | 7.5 |
| June '84 | 7.1 |

### WAGE AND SALARY EMPLOYMENT INDEX

| *Oregon* | 1977=100 |
|---|---|
| July 1984: | 105.0 |
| June 1984: | 105.5 |
| May 1984: | 105.9 |
| Apr. 1984: | 106.0 |
| Mar. 1984: | 106.0 |

### DIFFUSION INDEX

| *Oregon* | |
|---|---|
| July 1984: | 51.9 |
| June 1984: | 53.9 |
| May 1984: | 57.0 |
| Apr. 1984: | 63.6 |
| Mar. 1984: | 65.9 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| *Oregon* | |
|---|---|
| June 1984: | 38.9 |
| May 1984: | 39.3 |
| June 1983: | 39.2 |

### CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

| *Portland SMSA* | |
|---|---|
| July 1984 | 300.9 |
| Yearly Change | + 3.2% |
| *U.S.* | |
| July 1984 | 311.7 |
| Yearly Change | + 4.1% |

Portland Hotline 221-4132

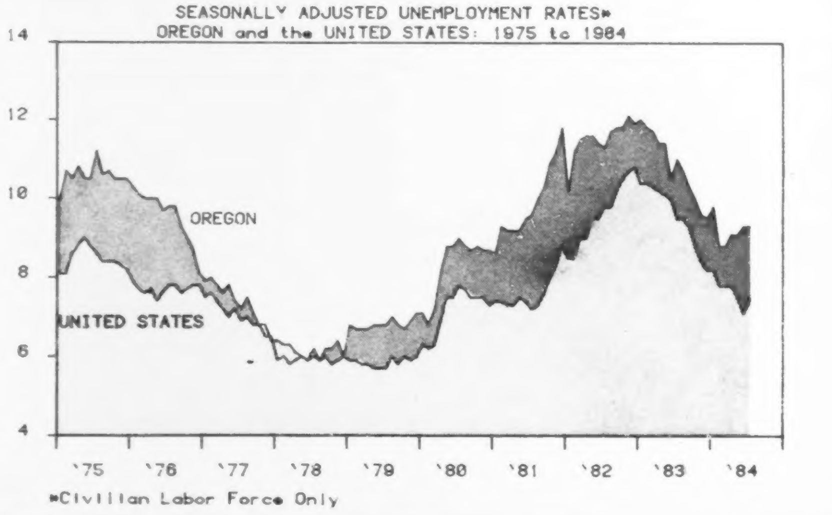
## MONTHLY ECONOMIC ANALYSIS

*Fred Klatz*

Since early this year, the nation's unemployment rate and Oregon's rate have moved in opposite directions. Now with the increase in the national rate, they are both moving upward. The seasonally adjusted U.S. rate started in January at 7.9%, dropped to 7.7% in February, and stayed there through March and April. Then in May the U.S. rate dropped to 7.4%, followed in June by another sharp drop to 7.0%. In July this downward trend was sharply reversed when the rate climbed back to its May level of 7.4%.

Oregon's seasonally adjusted unemployment rates are not following the national trend very closely at all. Oregon started in January at 9.8% and dropped very sharply in February to 8.8% where it stayed, like the national rate, through March. However, in April, while the national rate stayed level, Oregon's rate climbed to 9.1% and remained there during May while the national rate dropped. In June, Oregon countered the national trend by moving up to 9.3% and remained there in July while the nation's rate moved upward.

Perhaps the July rise in the national rate is nothing more than a statistical aberration and the next month's figure will continue downward. Since the national rate was stuck at 7.7%



## RESIDENT OREGON LABOR FORCE

| | 1/ July 1984 | 2/ June 1984 | Change | % Change | 5/ July 1983 |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,333,900 | 1,339,900 | -6,000 | -0.4 | 1,352,100 |
| Unemployment | 118,200 | 123,100 | -4,900 | -4.0 | 138,700 |
| Percent of Labor Force | 8.9 | 9.2 | xxx | xxx | 10.3 |
| Seasonally Adjusted Percent | 9.3 | 9.3 | xxx | xxx | 11.0 |
| Total Employment 4/ | 1,215,700 | 1,216,800 | -1,100 | -0.1 | 1,213,400 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | 1/ July 1984 | 2/ June 1984 | July 1983 | Change From June 1984 | Change From July 1983 |
|---|---|---|---|---|---|
| TOTAL 3/ | 980,900 | 1,004,600 | 963,100 | -23,700 | 17,800 |
| Wage & Salary Employment Index 4/ | 105.0 | 105.5 | 103.2 | xxx | xxx |
| Diffusion Index 5/ | 51.9 | 53.9 | 59.6 | xxx | xxx |
| Total Manufacturing | 199,500 | 197,900 | 191,700 | 1,600 | 7,800 |
| Durable Goods | 145,900 | 144,700 | 138,000 | 1,200 | 7,900 |
| Lumber & Wood Products | 66,800 | 66,600 | 65,800 | 200 | 1,000 |
| Logging & Sawmills | 35,700 | 35,100 | 34,400 | 600 | 1,300 |
| Veneer & Plywood | 16,600 | 17,300 | 18,300 | - 700 | - 1,700 |
| Millwork & Structural Wood | 8,800 | 8,600 | 7,900 | 200 | 900 |
| Mobile Homes | 1,800 | 1,800 | 1,500 | 0 | 300 |
| Other Wood Products | 3,900 | 3,800 | 3,700 | 100 | 200 |
| Furniture & Fixtures | 2,100 | 2,100 | 2,500 | 0 | - 400 |
| Stone, Clay, Glass, & Concrete | 3,400 | 3,300 | 3,300 | 100 | 100 |
| Primary Metals | 8,900 | 8,700 | 7,500 | 200 | 1,400 |
| Blast Furnaces, Iron & Steel | 5,000 | 4,800 | 4,000 | 200 | 1,000 |
| Nonferrous Metals | 3,900 | 3,900 | 3,500 | 0 | 400 |
| Fabricated Metals | 10,000 | 10,100 | 9,600 | - 100 | 400 |
| Fabricated Structural Metals | 4,600 | 4,600 | 4,400 | 0 | 200 |
| Other Fabricated Metals | 5,400 | 5,500 | 5,200 | - 100 | 200 |
| Machinery | 16,100 | 16,100 | 15,000 | 0 | 1,100 |
| Electrical Equipment & Supplies | 12,700 | 12,600 | 10,400 | 100 | 2,300 |
| Transportation Equipment | 9,000 | 8,200 | 7,100 | 800 | 1,900 |
| Instruments & Related Products | 14,400 | 14,600 | 14,400 | - 200 | 0 |
| Miscellaneous Manufacturing | 2,500 | 2,400 | 2,400 | 100 | 100 |
| Nondurable Goods | 53,600 | 53,200 | 53,700 | 400 | - 100 |
| Food & Kindred Products | 22,700 | 22,100 | 24,300 | 600 | - 1,600 |
| Canning & Preserving | 12,200 | 11,900 | 14,200 | 300 | - 2,000 |
| Other Food Products | 10,500 | 10,200 | 10,100 | 300 | 400 |
| Textile Mill Products | 1,700 | 1,800 | 1,400 | - 100 | 300 |
| Apparel | 2,700 | 2,700 | 2,200 | 0 | 500 |
| Paper & Allied Products | 9,700 | 9,600 | 9,500 | 100 | 200 |
| Printing & Publishing | 10,900 | 11,000 | 10,400 | - 100 | 500 |
| Chemicals & Allied Products | 2,200 | 2,300 | 2,200 | - 100 | 0 |
| Petroleum Refining | 500 | 500 | 600 | 0 | - 100 |
| Rubber & Plastic Products | 2,700 | 2,700 | 2,600 | 0 | 100 |
| Leather Products | 500 | 500 | 500 | 0 | 0 |

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | July 1984 | June 1984 | July 1983 | Change From June 1984 | Change From July 1983 |
|---|---|---|---|---|---|
| (cont.) | | | | | |
| Total Nonmanufacturing | 781,400 | 806,700 | 771,400 | -25,300 | 10,000 |
| Mining & Quarrying | 2,100 | 2,200 | 1,800 | - 100 | 300 |
| Construction | 30,700 | 28,000 | 28,800 | 2,700 | 1,900 |
| Transportation, Communications, & Utilities | 55,700 | 56,000 | 56,100 | - 300 | - 400 |
| Transportation | 33,000 | 33,200 | 32,300 | - 200 | 700 |
| Railroad | 5,400 | 5,500 | 5,400 | - 100 | 0 |
| Trucking & Warehousing | 17,500 | 17,300 | 17,300 | 200 | 200 |
| Other Transportation | 10,100 | 10,400 | 9,600 | - 300 | 500 |
| Communications | 14,200 | 14,300 | 15,100 | - 100 | - 900 |
| Utilities | 8,500 | 8,500 | 8,700 | 0 | - 200 |
| Trade | 251,500 | 251,800 | 246,400 | - 300 | 5,100 |
| Wholesale Trade | 64,400 | 63,800 | 62,500 | 600 | 1,900 |
| Durable Goods | 37,500 | 37,500 | 37,000 | 0 | 500 |
| Nondurable Goods | 26,900 | 26,300 | 25,500 | 600 | 1,400 |
| Retail Trade | 187,100 | 188,000 | 183,900 | - 900 | 3,200 |
| General Merchandise | 24,600 | 24,400 | 23,600 | 200 | 1,000 |
| Food Stores | 28,100 | 27,800 | 28,800 | 300 | - 700 |
| Auto Dealers & Service Stations | 23,800 | 23,700 | 22,700 | 100 | 1,100 |
| Other Retail Trade | 110,600 | 112,100 | 108,800 | - 1,500 | 1,800 |
| Finance, Insurance, & Real Estate | 66,800 | 66,700 | 66,200 | 100 | 600 |
| Banking & Credit Agencies | 23,500 | 23,500 | 23,500 | 0 | 0 |
| Other Finance, Insurance, & Real Estate | 43,300 | 43,200 | 42,700 | 100 | 600 |
| Services | 200,200 | 202,100 | 195,700 | - 1,900 | 4,500 |
| Hotels & Personal Services | 25,300 | 25,100 | 24,100 | 200 | 1,200 |
| Health Services | 68,400 | 68,600 | 67,400 | - 200 | 1,000 |
| Other Services | 106,500 | 108,400 | 104,200 | - 1,900 | 2,300 |
| Government | 174,400 | 199,900 | 176,400 | -25,500 | - 2,000 |
| Federal Government | 30,700 | 30,100 | 30,500 | 600 | 200 |
| State Government | 47,600 | 53,700 | 49,200 | - 6,100 | - 1,600 |
| Education | 16,400 | 22,900 | 17,700 | - 6,500 | - 1,300 |
| Other State | 31,200 | 30,800 | 31,500 | 400 | - 300 |
| Local Government | 96,100 | 116,100 | 96,700 | -20,000 | - 600 |
| Education | 53,400 | 73,600 | 52,800 | -20,200 | 600 |
| Other Local | 42,700 | 42,500 | 43,900 | 200 | - 1,200 |
| Labor-Management Disputes | 200 | 600 | 700 | - 400 | - 500 |

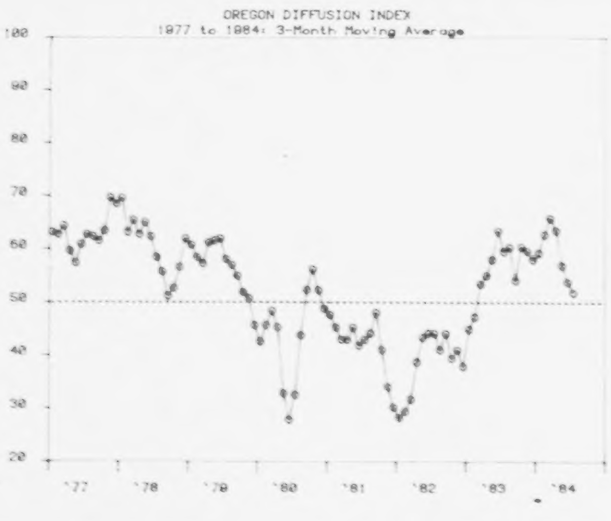
1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.



between February and April, this .4 percentage point dip and a jump of equal degree are totally out of character. But Oregon's seasonally adjusted rate has been climbing gradually since early this year, and it is at a fairly high level now. This indicates that while the rest of the nation is posting economic gains, Oregon's economy is not recovering nearly as quickly and still suffers from high interest rates and increasing competition from other parts of the U.S. and Canada in the lumber and wood products industry. If Oregon's recovery is to strengthen, and the state's economy is to fully recover from the last recession, some strong surges are needed very soon, or we'll enter our normal winter slowdown with very little momentum. Unfortunately two of Oregon's chief economic indicators, the Oregon Diffusion Index and the Wage and Salary Employment Index, aren't holding out much hope at this time. These indicators continued to fall between June and July, with the diffusion index going from 53.9 to 51.9 and the employment index from 105.5 to 105.0. The high point so far this year for the diffusion index was 65.9 in March while the employment index was at a high of 106.0 during February, March, and April.

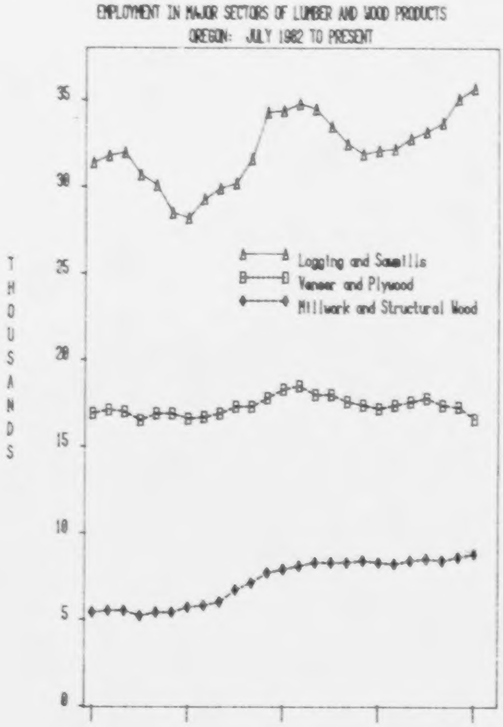
A look at the nonagricultural wage and salary employment totals suggests a slightly negative or neutral picture on a June to July basis. Though employment decreased by 23,700, such a decline is normal at this time of year because of school closures. When compared to July of 1983, the overall improvement becomes evident with an increase in wage and salary employment of 17,800.

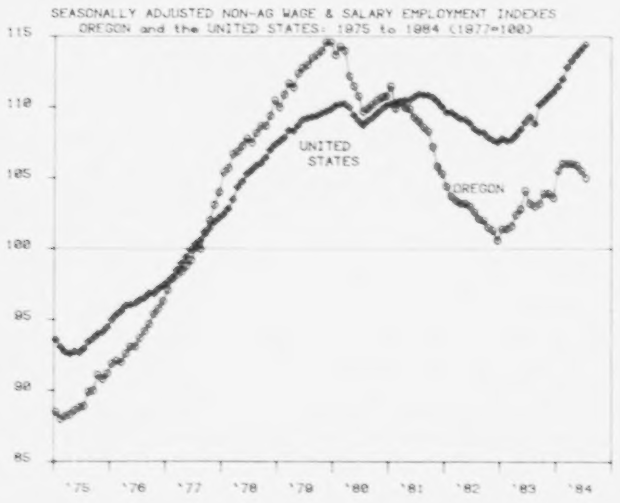
Durable goods manufacturing exhibited increases both on a monthly and an annual basis. Lumber and wood products followed this trend, but veneer and plywood showed substantial declines; both monthly (-700) and annually (-1,700). This put veneer and plywood employment at its lowest July level in 25 years. July's employment compares favorably only to the low employment levels found in the winter of 1981-82. Soft market prices and rising inventories have caused this industry to experience substantial declines in employment.

At the opposite end of the spectrum from veneer and plywood is millwork and structural wood products. While this sector posted only modest employment gains and has only half the employment of veneer and plywood, this sector of lumber and wood is interesting because it has been growing steadily for a year, and, at 8,800, is at its highest employment level ever. After speaking to several people who work in the millwork industry, four basic reasons for this pleasant situation became apparent. (1) Oregon's millwork companies serve a national market. (2) Millwork products are used not only in the new residential construction market, but also in new commercial construction, remodeling, and in recreational vehicles and mobile homes. (3) As of yet, millwork is not facing the same level of national and international competition that other segments of Oregon's lumber and wood products industry are confronting. (4) Currently, there are few substitutes for these products.

Logging and sawmills showed gains over June, 1984 and July, 1983, but their employment levels, while still rising, are quite low by historical standards.

Transportation equipment showed the largest monthly gain (+800) within Durable Goods Manufacturing. This was due mainly to increased activity in ship building and repair. A 1,900 increase over July, 1983 reflected Oregon's recovery. This improvement also reached truck manufacturing, travel trailer and camper top production as well as ship building and repair.





Electrical equipment and supplies rose to 12,700, an increase of 2,300 over July of last year. This is a continuation of the growth that began in early 1983 and has continued to produce the highest level of employment on record for this industry.

The only Durable Goods manufacturing industry besides veneer and plywood which showed a drop in employment between 1983 and 1984 was furniture and fixtures.

In Nondurable Goods manufacturing there was very little overall change, either monthly or annually. Food and kindred products showed a small gain of 600 employes between June and July, but this is well below the increase expected at this time of year in this highly seasonal industry. The canning and preserving sector of food and kindred products had a very low level of employment due to cool, wet weather early in the growing season which delayed the harvest. Also, a poor season in fishing depressed seafood processing employment. This combination kept employment in canning and preserving 2,000 below last year's level.

Total nonmanufacturing employment showed a very large drop between June and July (-25,300). This is a normal occurrence at this time of year, with schools closing for summer vacation. However, sectors of state and local government outside of education also displayed year to year declines. This is due to effort to trim government budgets and costs.

In a reflection of increased consumer confidence, trade posted an annual increase of 5,100, most of this in retail. On a June to July basis, retail trade had a slight decline (-900), all in other retail trade items such as apparel, building material supplies, and furniture. Even eating and drinking places registered a slight decline between June and July. But this isn't uncommon for this industry since it normally flattens out or shows a slight decline in July as the food services that supply school cafeterias lose that outlet for the summer. Then it goes on to peak in September. Employment in eating and drinking places is up over comparable months in 1983. This is due to increased travel within Oregon this year by both residents and out of state visitors.

In keeping with this year's increased tourism, hotels and other lodging places increased employment over last year.

Even though all sectors of services reflected the improved economy by displaying an increase over last year in employment, only hotels and personal services had a June to July increase. Both health services and other services shared in slight monthly drops in employment. These are fairly predictable industries, where slight declines in employment in summer months are to be expected.

Summary: Oregon's economy is very definitely in better shape than last year, but a steadily rising seasonally adjusted unemployment rate, and declining economic indicators against a national backdrop of rising interest rates are causes for concern.☐

| 1984 | U.S. Seasonally Adjusted Unemployment Rate | Oregon Seasonally Adjusted Unemployment Rate | Oregon Diffusion Index | Oregon W&S Empl. Index |
|---|---|---|---|---|
| Jan. | 7.9 | 9.8 | 60.5 | 105.5 |
| Feb. | 7.7 | 8.8 | 62.8 | 106.0 |
| Mar. | 7.7 | 8.8 | 65.9 | 106.0 |
| Apr. | 7.7 | 9.1 | 63.6 | 106.0 |
| May | 7.4 | 9.1 | 57.0 | 105.9 |
| Jun | 7.0 | 9.3 | 53.9 | 105.5 |
| July | 7.4 | 9.3 | 51.9 | 105.0 |

## NEW PUBLICATION – OCCUPATIONAL WAGE REPORT

The 1983 Oregon Wage Information Publication is now available. The occupational wage data are compiled from various wage studies done in Oregon. Over 330 common occupations are listed including 1982 employment, the sources of data for that occupation, and various wage parameters (low, high, quartiles, and an average). The number of parameters shown varies by occupation according to the representativeness of the data sources.

Your copy of this report may be ordered from:

Employment Division - R&S
875 Union NE
Salem OR 97311
503/373-1816

# HOURS AND EARNINGS

*Mike Staten*

Production worker weekly earnings for June remained relatively unchanged from May in Total Manufacturing. While average hourly earnings gained 11¢ over the month, a .4 hour loss in average weekly hours resulted in an increase of only 9¢ in average weekly earnings.

The drop in June's average workweek occurred in both the Durable and Nondurable Goods sectors; however, the loss in Durable Goods was less severe. The driving force behind the drop in Durable Goods came in Logging & Sawmills as well as Veneer & Plywood, where rising interest rates and declining housing starts created excess inventories for many producers. The result was a decline in the average workweek.

In Nondurable Goods, hours were down in all areas except Textiles. The most significant decline came in Canning & Preserving (-3.3) which suffered substantially from the unseasonably wet and cold Spring. Weather conditions postponed harvests and delayed processing at most canneries. The entire processing cycle has been delayed about one month.

Average hourly earnings for Manufacturing posted an 11¢ gain in June, chiefly in response to a 20 percent increase in premium pay hours in anticipation of annual vacation and maintenance closures for Logging & Sawmills. Most other areas of Durable Goods registered gains in average hourly earnings as well. In Nondurable Goods, average hourly earnings in Other Food Products fell sharply, primarily due to decreased overtime hours.

The average workweek in Construction jumped 1.8 hours in June, as Heavy Construction began taking advantage of federal road funds and favorable weather conditions. This translated into an average workweek that was 2.4 hours longer than in June, 1983 and was also the longest June workweek in Construction since 1979. Average hourly earnings, however, were $.54 less than in June, 1983 because of the large increase in the number of construction workers at the lower end of the pay scale.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | June 2/ 1984 | May 3/ 1984 | June 1983 | June 2/ 1984 | May 3/ 1984 | June 1983 | June 2/ 1984 | May 3/ 1984 | June 1983 |
| TOTAL MANUFACTURING 4/ | $411.56 | $411.47 | $403.37 | 38.9 | 39.3 | 39.2 | $10.58 | $10.47 | $10.29 |
| Durable Goods | 427.05 | 424.26 | 421.60 | 39.8 | 40.1 | 40.0 | 10.73 | 10.58 | 10.54 |
| Lumber & Wood Products | 447.42 | 436.80 | 438.46 | 39.7 | 40.0 | 40.3 | 11.27 | 10.92 | 10.88 |
| Logging & Sawmills | 478.39 | 470.15 | 465.66 | 39.7 | 40.6 | 39.8 | 12.05 | 11.58 | 11.70 |
| Veneer & Plywood | 447.20 | 444.72 | 443.06 | 40.0 | 40.8 | 41.1 | 11.18 | 10.90 | 10.78 |
| Millwork & Struct Wood | 347.60 | 312.80 | 332.90 | 39.1 | 36.8 | 40.4 | 8.89 | 8.50 | 8.24 |
| Mobile Homes | 289.22 | 295.14 | 321.77 | 35.1 | 34.6 | 41.2 | 8.24 | 8.53 | 7.81 |
| Other Wood Products | 459.79 | 447.70 | 424.11 | 41.2 | 40.7 | 40.2 | 11.16 | 11.00 | 10.55 |
| Furniture & Fixtures | 296.38 | 262.15 | 292.59 | 36.5 | 33.1 | 37.9 | 8.12 | 7.92 | 7.72 |
| Primary Metals | 506.78 | 498.10 | 512.12 | 43.5 | 42.5 | 41.3 | 11.65 | 11.72 | 12.40 |
| Fabricated Metals | 383.34 | 376.35 | 387.65 | 38.8 | 39.0 | 39.8 | 9.88 | 9.65 | 9.74 |
| Machinery | 416.56 | 414.12 | 399.11 | 40.6 | 40.8 | 38.9 | 10.26 | 10.15 | 10.26 |
| Nondurable Goods | 363.89 | 375.82 | 355.05 | 36.1 | 37.1 | 37.1 | 10.08 | 10.13 | 9.57 |
| Food & Kindred Products | 283.25 | 313.29 | 290.24 | 33.6 | 35.4 | 35.7 | 8.43 | 8.85 | 8.13 |
| Canning & Preserving | 246.71 | 261.21 | 231.88 | 30.8 | 34.1 | 34.1 | 8.01 | 7.66 | 6.80 |
| Other Food Products | 347.27 | 389.04 | 402.48 | 38.5 | 37.3 | 38.7 | 9.02 | 10.43 | 10.40 |
| Textile Mill Products | 224.79 | 227.93 | 219.41 | 38.1 | 37.8 | 37.0 | 5.90 | 6.03 | 5.93 |
| Apparel | 209.63 | 211.86 | 203.31 | 37.5 | 37.9 | 37.1 | 5.59 | 5.59 | 5.48 |
| Paper & Allied Products | 562.88 | 564.71 | 565.32 | 40.7 | 41.1 | 42.0 | 13.83 | 13.74 | 13.46 |
| Printing & Publishing | 396.98 | 399.08 | 368.76 | 34.4 | 35.6 | 33.8 | 11.54 | 11.21 | 10.91 |
| Construction 4/ | 508.20 | 476.42 | 490.96 | 35.0 | 33.2 | 32.6 | 14.52 | 14.35 | 15.06 |
| Communications & Utilities 5/ | 480.79 | 482.40 | 469.66 | 40.2 | 40.1 | 39.6 | 11.96 | 12.03 | 11.86 |
| Trade 5/ | 289.85 | 287.30 | 283.85 | 34.1 | 34.0 | 34.7 | 8.50 | 8.45 | 8.18 |
| Wholesale Trade | 382.65 | 381.48 | 380.14 | 36.9 | 37.4 | 37.9 | 10.37 | 10.20 | 10.03 |
| Retail Trade | 245.25 | 241.28 | 237.71 | 32.7 | 32.3 | 33.2 | 7.50 | 7.47 | 7.16 |
| Banking & Insurance | 269.51 | 269.25 | 264.61 | | | | | | |
| State & Local Government | 317.73 | 315.39 | 303.69 | | | | | | |

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1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

# AN EXPLANATION OF UNEMPLOYMENT RATES

*Gary Barker*

## I. BASIC LABOR FORCE CONCEPTS

A. How rates are developed. Unemployment rates are derived by dividing an estimate of the number of unemployed people by an estimate of the number in the total labor force. The total labor force is the sum of employed and unemployed persons, aged 16 and over.

B. The survey week. Since individuals can change their labor force status (employed, unemployed, or out of the labor force) over time, unemployment estimates are confined to a "typical" or survey week. The survey week is the week that includes the 12th of the month.

C. Who to count as employed. A person age 16 and over working for any portion of the survey week is considered to be employed. Individuals with more than one job are counted as employed only once. A person working in one labor market and living in another is counted at his place of residence. Labor disputants are considered to be employed in the resident labor force series.

D. Who to count as unemployed. People counted as unemployed had no job at all during the survey week, were available for work and looking for a job.

## II. PRIMARY DATA SOURCES

### A. National data.

The U.S. unemployment rate is developed from data collected by a survey of about 60,000 individual households. The survey permits estimates of unemployment by sex, race, age, full or part-time status, marital status, occupation, industry, duration and veteran status.

### B. Oregon data.

1. Unemployment. In lieu of an expensive household survey, unemployment estimates are developed primarily on claimant data from Oregon's unemployment insurance program. These data are supplemented by estimates of persons who either were not eligible for, or did not choose to seek unemployment benefits or have exhausted their unemployment insurance benefits.

2. Employment. Current monthly employment estimates are obtained via a sample of about 4,000 employer reports submitted each month by selected Oregon firms. Much of the credit for Oregon's history of accurate employment estimates (the latest annual update showed an overall change of less than one half of one percent) is due to the promptness and accuracy of those Oregon firms participating in the monthly reporting programs.

## III. KINDS OF UNEMPLOYMENT RATES

### A. Percent of the Labor Force

This "raw", or "unadjusted unemployment rate", is simply the total number of unemployed divided by the total labor force, expressed in percentage form.

### B. Seasonally Adjusted

Seasonal adjustment removes the predictable, re-occurring fluctuations in the data resulting from such events as changes in the weather, school opening and closure, the holiday season, etc. This makes each of the monthly rates comparable to an annual average basis, and therefore with other months.

## IV. QUESTIONS AND ANSWERS ABOUT UNEMPLOYMENT RATES

Q. Should the rate of unemployment be higher because not everyone goes to the Employment Office?

A. No. Estimates include all persons who are actively looking for work, regardless of whether they qualify for or are claiming unemployment benefits.

Q. U.S. rates are published by age, sex, and race each month. Why can't I get the same thing for Oregon?

A. The expense of a household survey, large enough to estimate these rates each month for Oregon, is prohibitive. The Census did estimate unemployment by sex and race in 1980. Monthly data on the characteristics of individuals collecting unemployment insurance benefits are available on a statewide basis, however.

Q. When are the monthly unemployment estimates available?

A. Normally, the statewide unemployment and employment estimates are released around the 10th-12th of the month. Estimates for the various counties are available approximately 7 days after the state data are released.□

## THE EMPLOYERS CORNER – FUTURE OF THE EMPLOYMENT SERVICE

*Dorothy Monnier*

Twenty Job Service Employer Committees (JSECs) advise and critique the performance of the local employment office serving their area. In cooperation with your local JSEC, each issue of the Oregon Labor Trends features an article of special interest to employers.

This issue and next month's issue will deal with important facts and rumors concerning the future of the Employment Division - specifically, the Employment Service. At this writing, there are rumors that the current Federal administration is working toward devolvement of the United States Employment Service (USES). As employers, you need to decide if there is a role for a national program of some kind. If so, what is that role? We are at a crossroad on the future of the Employment Service. We need your input now more than ever.

We are taking steps to insure full discussion. The first Region X JSEC meeting, hosted by Oregon, will be held October 17-19, 1984 at the Jantzen Beach Red Lion Inn, Portland. JSEC's from Alaska, Idaho, Washington and Oregon will attend. JSEC's will identify and recommend alternatives for funding the Employment Service. Anyone interested in attending portions, or all, of this Regional Meeting can contact your local Employment Office Manager for further details.

THE FACTS ARE: The Employment Service funding for Fiscal Year 1985 proposed by the current Administration and accepted by the Senate contains zero dollar increase in spending. This will result in a loss of staff once inflation is considered.

The House proposed a 3 percent increase. This will not cover the predicted 5 percent inflationary increase.

THE RUMORS ARE: The Administration will continue with its program to phase out the United States Employment Service. This means the states will pick up the operation if they want to. John Cogan, an official with the Office of Management and Budget, hopes to present a zero budget for the Employment Service in Fiscal Year 1986.

Further, once the Employment Service is eliminated, the UI system will be the next to "devolve" to the states. None of this mentions employers tax dollars. One guess is that the employers' taxes that finance the system (FUTA) will be kept in Washington to help balance the federal deficit.

THE REASON: The Federal deficit is cited as the reason to get out of the Employment Security business.

Two years ago, we were concerned with the level of USES base staff nationwide. Budget Cuts reduced the USES staff from 30,000 to the current nationwide level of 22,800.

While we agreed with the initial cuts, additional cuts are "into the bone". During the month of July 1984, we had 266 ES staff. These 266 people took 14,569 job orders and placed 12,368 job applicants.

The next Employer's Corner will continue talking about "The Future of the Employment Service". REMEMBER: employers pay for this service. Become involved by participating in the local and state level JSEC meetings. Contact your local employment office manager for further details.□

## OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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DEPARTMENT OF HUMAN RESOURCES
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# OREGON LABOR TRENDS

Prepared by Research and Statistics Section

SEPTEMBER 1984

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

## AUGUST INDICATORS

### UNEMPLOYMENT RATE

| *Oregon* | S.A. |
|---|---|
| Aug. '84 | 8.8 |
| July '84 | 9.3 |
| Aug. '83 | 10.7 |
| *U.S.* | |
| Aug. '84 | 7.5 |
| July '84 | 7.5 |
| Aug. '83 | 9.5 |

### WAGE AND SALARY EMPLOYMENT INDEX

| *Oregon* | |
|---|---|
| Aug. 1984: | 106.0 |
| July 1984: | 105.7 |
| June 1984: | 105.5 |
| May 1984: | 105.9 |
| Apr. 1984: | 106.0 |

### DIFFUSION INDEX

| *Oregon* | |
|---|---|
| Aug. 1984: | 57.0 |
| July 1984: | 51.9 |
| June 1984: | 53.9 |
| May 1984: | 57.0 |
| Apr. 1984: | 63.6 |

### PRODUCTION WORKER AVERAGE WEEKLY HOURS

| *Oregon* | |
|---|---|
| July 1984: | 38.7 |
| June 1984: | 38.8 |
| July 1983: | 38.5 |

### CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

| *Portland SMSA* | |
|---|---|
| July 1984 | 300.9 |
| Yearly Change | + 3.2% |
| *U.S.* | |
| Aug. 1984 | 313.0 |
| Yearly Change | + 4.2% |
| Portland Hotline | 221-4132 |

## MONTHLY ECONOMIC ANALYSIS

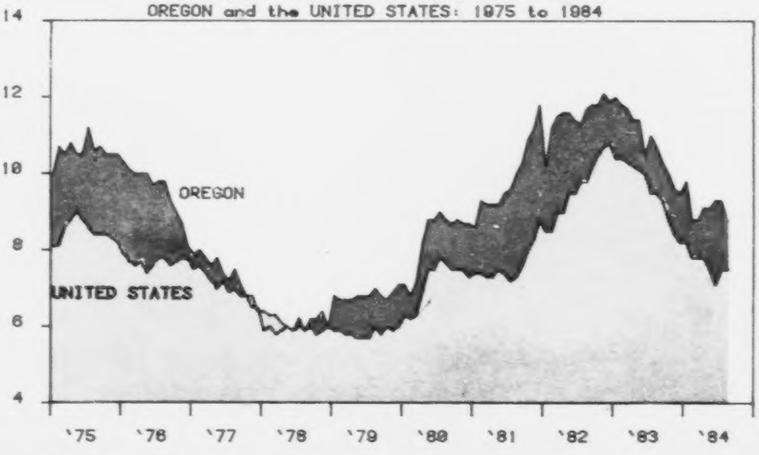
*Jeff Hannum*

For most of this year the rate of economic expansion has been much stronger nationally than in Oregon. While key economic indicators continued to improve for the nation almost every month, Oregon has been unable to even hold on to the strong gains made early this year. August brought a change in that pattern, at least temporarily.

While the nation's seasonally adjusted unemployment rate remained stuck at 7.5% in August, all three of Oregon's key labor market indicators improved. The first of these, the state's unemployment rate, fell by one-half point after seasonal adjustment to 8.8% during August. This was one of the lowest jobless rates in three and a half years, matched only by the the 8.8% mark reached in February and March of this year. Between March and July, Oregon's unemployment rate had been inching upward paralleling the trend in interest rates. The August drop represents the first turnaround in a stairstep pattern of jobless rate increases. Oregon's count of unemployed persons also showed significant improvement in August, dropping by 11,800 to 106,600 - the lowest level since October, 1980.

Another key Oregon economic barometer that rose in August was the nonfarm wage and salary employment index. This seasonally

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1975 to 1984



*Civilian Labor Force Only

## RESIDENT OREGON LABOR FORCE

| | 1/<br>Aug.<br>1984 | 2/<br>July<br>1984 | Change | % Change | 5/<br>Aug.<br>1983 |
|---|---|---|---|---|---|
| Civilian Labor Force 3/ | 1,331,000 | 1,339,600 | - 8,600 | - 0.6 | 1,347,700 |
| Unemployment | 106,600 | 118,400 | -11,800 | -10.0 | 128,600 |
| Percent of Labor Force | 8.0 | 8.8 | xxx | xxx | 9.5 |
| Seasonally Adjusted Percent | 8.8 | 9.3 | xxx | xxx | 10.7 |
| Total Employment 4/ | 1,224,400 | 1,221,200 | 3,200 | 0.3 | 1,219,100 |

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1983 and January 1984, data for 1984 and that of previous years are not strictly comparable.

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | 1/<br>Aug.<br>1984 | 2/<br>July<br>1984 | Aug.<br>1983 | Change From<br>July<br>1984 | Change From<br>Aug.<br>1983 |
|---|---|---|---|---|---|
| TOTAL 3/ | 995,700 | 986,700 | 965,400 | 9,000 | 30,300 |
| Wage & Salary Employment Index 4/ | 106.0 | 105.7 | 103.0 | xxx | xxx |
| Diffusion Index 5/ | 57.0 | 51.9 | 60.4 | xxx | xxx |
| Total Manufacturing | 207,800 | 199,900 | 197,000 | 7,900 | 10,800 |
| Durable Goods | 147,700 | 145,700 | 138,400 | 2,000 | 9,300 |
| Lumber & Wood Products | 67,000 | 66,200 | 66,700 | 800 | 300 |
| Logging & Sawmills | 35,700 | 35,100 | 34,800 | 600 | 900 |
| Veneer & Plywood | 16,500 | 16,600 | 18,300 | - 100 | - 1,800 |
| Millwork & Structural Wood | 8,800 | 8,700 | 8,100 | 100 | 700 |
| Mobile Homes | 1,900 | 1,800 | 1,700 | 100 | 200 |
| Other Wood Products | 4,100 | 4,000 | 3,800 | 100 | 300 |
| Furniture & Fixtures | 2,100 | 2,100 | 2,500 | 0 | - 400 |
| Stone, Clay, Glass, & Concrete | 3,500 | 3,400 | 3,300 | 100 | 200 |
| Primary Metals | 8,700 | 9,000 | 7,800 | - 300 | 900 |
| Blast Furnaces, Iron & Steel | 5,100 | 5,000 | 4,100 | 100 | 1,000 |
| Nonferrous Metals | 3,600 | 4,000 | 3,700 | - 400 | - 100 |
| Fabricated Metals | 10,300 | 10,100 | 9,700 | 200 | 600 |
| Fabricated Structural Metals | 4,900 | 4,600 | 4,400 | 300 | 500 |
| Other Fabricated Metals | 5,400 | 5,500 | 5,300 | - 100 | 100 |
| Machinery | 16,300 | 16,200 | 15,000 | 100 | 1,300 |
| Electrical Equipment & Supplies | 13,200 | 12,700 | 10,700 | 500 | 2,500 |
| Transportation Equipment | 9,400 | 9,000 | 6,100 | 400 | 3,300 |
| Instruments & Related Products | 14,600 | 14,400 | 14,200 | 200 | 400 |
| Miscellaneous Manufacturing | 2,600 | 2,600 | 2,400 | 0 | 200 |
| Nondurable Goods | 60,100 | 54,200 | 58,600 | 5,900 | 1,500 |
| Food & Kindred Products | 29,600 | 23,400 | 28,900 | 6,200 | 700 |
| Canning & Preserving | 19,000 | 12,900 | 19,000 | 6,100 | 0 |
| Other Food Products | 10,600 | 10,500 | 9,900 | 100 | 700 |
| Textile Mill Products | 1,800 | 1,700 | 1,600 | 100 | 200 |
| Apparel | 2,700 | 2,600 | 2,400 | 100 | 300 |
| Paper & Allied Products | 9,100 | 9,700 | 9,500 | - 600 | - 400 |
| Printing & Publishing | 10,900 | 10,900 | 10,400 | 0 | 500 |
| Chemicals & Allied Products | 2,200 | 2,200 | 2,200 | 0 | 0 |
| Petroleum Refining | 600 | 500 | 500 | 100 | 100 |
| Rubber & Plastic Products | 2,700 | 2,700 | 2,600 | 0 | 100 |
| Leather Products | 500 | 500 | 500 | 0 | 0 |

## NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

| INDUSTRY | Aug. 1984 | July 1984 | Aug. 1983 | Change From July 1984 | Change From Aug. 1983 |
|---|---|---|---|---|---|
| (cont.) | | | | | |
| Total Nonmanufacturing | 787,900 | 786,800 | 768,400 | 1,100 | 19,500 |
| Mining & Quarrying | 2,300 | 2,300 | 1,900 | 0 | 400 |
| Construction | 31,500 | 30,300 | 29,900 | 1,200 | 1,600 |
| Transportation, Communications, & Utilities | 55,500 | 55,800 | 50,700 | - 300 | 4,800 |
| Transportation | 32,900 | 33,200 | 32,400 | - 300 | 500 |
| Railroad | 5,300 | 5,400 | 5,300 | - 100 | 0 |
| Trucking & Warehousing | 17,400 | 17,600 | 17,500 | - 200 | - 100 |
| Other Transportation | 10,200 | 10,200 | 9,600 | 0 | 600 |
| Communications | 14,100 | 14,100 | 9,700 | 0 | 4,400 |
| Utilities | 8,500 | 8,500 | 8,600 | 0 | - 100 |
| Trade | 253,900 | 252,200 | 247,600 | 1,700 | 6,300 |
| Wholesale Trade | 64,600 | 64,300 | 62,900 | 300 | 1,700 |
| Durable Goods | 37,900 | 37,600 | 36,900 | 300 | 1,000 |
| Nondurable Goods | 26,700 | 26,700 | 26,000 | 0 | 700 |
| Retail Trade | 189,300 | 187,900 | 184,700 | 1,400 | 4,600 |
| General Merchandise | 24,700 | 24,700 | 23,800 | 0 | 900 |
| Food Stores | 28,500 | 28,300 | 28,600 | 200 | - 100 |
| Auto Dealers & Service Stations | 24,100 | 23,900 | 23,000 | 200 | 1,100 |
| Other Retail Trade | 112,000 | 111,000 | 109,300 | 1,000 | 2,700 |
| Finance, Insurance, & Real Estate | 67,200 | 67,100 | 66,100 | 100 | 1,100 |
| Banking & Credit Agencies | 23,700 | 23,500 | 23,600 | 200 | 100 |
| Other Finance, Insurance, & Real Estate | 43,500 | 43,600 | 42,500 | - 100 | 1,000 |
| Services | 201,100 | 201,300 | 195,800 | - 200 | 5,300 |
| Hotels & Personal Services | 25,200 | 25,000 | 23,800 | 200 | 1,400 |
| Health Services | 68,800 | 68,700 | 67,800 | 100 | 1,000 |
| Other Services | 107,100 | 107,600 | 104,200 | - 500 | 2,900 |
| Government | 176,400 | 177,800 | 176,400 | -1,400 | 0 |
| Federal Government | 30,300 | 30,300 | 30,300 | 0 | 0 |
| State Government | 48,700 | 49,000 | 49,500 | - 300 | - 800 |
| Education | 17,600 | 17,900 | 17,400 | - 300 | 200 |
| Other State | 31,100 | 31,100 | 32,100 | 0 | - 1,000 |
| Local Government | 97,400 | 98,500 | 96,600 | -1,100 | 800 |
| Education | 55,400 | 55,900 | 52,800 | - 500 | 2,600 |
| Other Local | 42,000 | 42,600 | 43,800 | - 600 | - 1,800 |
| Labor-Management Disputes | 700 | 200 | 6,900 | 500 | - 6,200 |

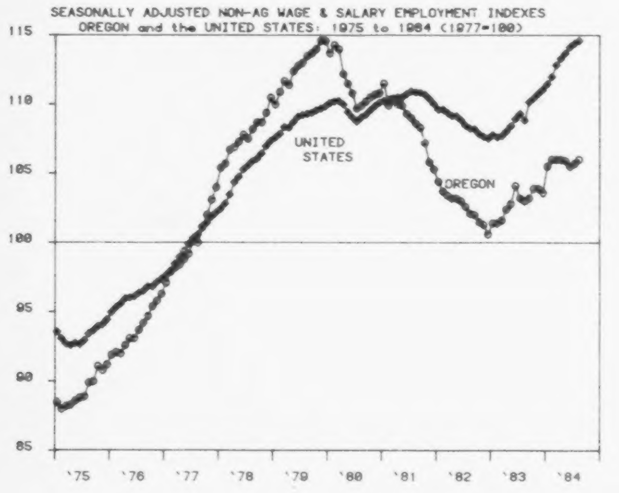
1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES OREGON and the UNITED STATES: 1975 to 1984 (1977=100)

adjusted index, which is one of the best overall measures of current economic activity in the state, posted a gain of 0.3 to 106.0 in August. The increase would have been even greater had it not been for an upward revision of July's index to 105.7 from the 105.0 reported last month. The accompanying graph, however, shows that even with the recent modest improvements, the overall wage and salary employment trend since February has been generally flat, meaning that Oregon's economic recovery has been on "pause" since early this year. The state's economy has been generating barely enough jobs to keep up with normal seasonal demands. It has not been strong enough to generate many new jobs, or even recoup some of those lost in the last recession. The nation's economy, in contrast, has been soaring to new heights in 1984, although the torrid pace has begun to slow recently.

The Oregon diffusion index was the third major indicator to advance in August. After reaching a peak of 65.9 in March, this leading indicator declined for several months. Last month's rise from 51.9 in July to 57.0 in August may not be the forerunner of a new upward trend, but it was encouraging nevertheless. The diffusion index represents the percentage of a selected group of 43 "bellwether" industries that have an increase in seasonally adjusted employment.

Both total employment and nonfarm wage and salary employment advanced in August, despite a large drop of about 12,000 in seasonal farm jobs. Manufacturing industries led the way, accounting for 7,900 of the 9,000 increase in nonfarm employment. The volatile canning and preserving sector added the lion's share of these new jobs (+6,100), as delayed crop harvests this summer pushed more food processing activity into the mid-August survey period than normal. As a result, food and kindred products employment, after seasonal adjustment, jumped by 2,300.

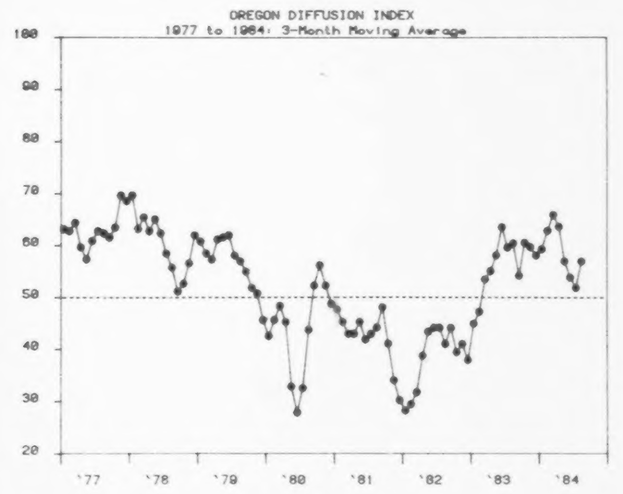
In spite of mill closures and some layoffs in August, the lumber and wood products industry posted a normal seasonal increase of 800 jobs last month, mostly in the logging sector. Although lumber and plywood prices improved during August, the market remained soft for many items. Citing weak market prices, one major producer recently announced plans to close a number of Western Oregon mills until demand and prices strengthened. Employment in lumber and wood products is currently only 300 higher than a year ago, held down mostly by the 1,800 job decline in veneer and plywood.

One of the best employment track records so far this year has been earned by the other durable goods manufacturing industries, excluding lumber and wood. August was no exception to the trend, as this group of business equipment and capital goods-oriented industries added 1,200 more jobs, 700 more than seasonally expected. Significant job gains came in the "high tech" industries including electrical equipment (+500) and instruments (+200), as well as transportation equipment (+400) and fabricated structural metals (+300). Additional ship repair contracts and increased construction activity spurred new hiring in the two latter industries.

Future prospects for Oregon's "high tech" sector also received a boost recently with the announcement that Fujitsn Ltd., a major Japanese computer company, will build two new electronics plants in the Portland area. Construction of the plants, which are expected to employ 1,000 people by 1987, is scheduled to begin in 1985. Total investment by Fujitsn will be about $170 million dollars. Oregon's recent decision to repeal the unitary tax formula, which uses a multi-national corporation's worldwide profits as a base on which to compute the state income tax, was a factor in the company's decision to locate in Oregon. Repeal of the unitary tax in Oregon takes effect in January, 1986.

Job declines in manufacturing during August were hard to find and limited mostly to the paper and aluminum industries. Reasons for the cutbacks were quite different, however. The paper industry, which faces strong market demand and prices, was hit by two labor disputes. Layoffs in the aluminum industry, on the other hand, were related more to the weak competitive position of the northwest aluminum industry. Due to high production costs, particularly for electricity, aluminum companies in the northwest are among the first to curtail production when market demand softens. In recognition of this fact the BPA offered to reduce the cost of electricity to the companies by 18% beginning in September. Whether this will be enough to restore the jobs lost in August and prevent further layoffs remains to be seen.

The employment trend in nonmanufacturing generally followed the normal seasonal pattern, rising by 1,100 in August. Most of the hiring activity came in construction (+1,200) and eating and drinking places (+700). Residential building continued to lag, and was the only construction sector with lower employment in August. Job gains were greatest in the specialty trades and in heavy construction. On a seasonally adjusted basis construction employment rose by 800, which was one of the strongest performances of any industry in August.



Strong gains in eating and drinking places reflect the rising number of both in-state and out-of-state recreation travelers this summer, as well as the continuing trend toward individuals and families eating more meals away from home.

The weakest employment trend in August came in government, which declined by 1,400 jobs. Normally, this sector experiences no change in the overall job level between July and August. This year's drop reflected layoffs in public education, the winding down of summer youth programs by local governments, and the continuing budget problems in some government jurisdictions.

In summary, August brought a welcome change from the pattern of recent months. All three of Oregon's key labor market indicators moved in a positive direction, with unemployment slipping to a four year low. Oregon's economic recovery, however, still has a long way to go by any measure.□

## EMPLOYERS CORNER – A PROPOSAL FOR SAVING THE EMPLOYMENT SERVICE AND EMPLOYER MONEY

*Ray Thorne, Administrator*

Our last article discussed rumors that the Employment Service (E.S.) was slated for elimination through a process that the Office of Management and Budget (OMB) calls "devolvement". Our interpretation of this proposal did not include one very important fact that was gathered in response to the article. Through an interview with John Cogan, a Budget Officer with the O.M.B., it was determined that this proposal would not only abolish the E.S., but would also stop collection of those taxes that are currently used to fund the system. It would then become a state option to set in place a state responsive E.S. financed through either the general fund or a new employer tax.

This proposal closely resembles the original "New Federalism" concept proposed by Oregon called the FUTA II Proposal. In essence, this would eliminate the collection of the Federal Unemployment Tax Act (F.U.T.A.) revenues for pass through by the United States Department of Labor (USDOL). Instead, individual states would tax employers at a rate necessary to administer the Unemployment Insurance (U.I.) and Employment Service (E.S.) activities determined by the Governor and the State Legislature. States would then remit to the Federal government only those dollars needed to maintain the necessary Federal presence. This proposal would eliminate duplicative systems and overhead costs inherent in any program which has a number of agencies handling and then passing money on for program operations. This would also reduce the need for costly Federal oversight and intervention. When added to dollar savings made through the reduction of duplication, a system could be developed that would be productive in serving Oregonians while reducing the cost to employers.

This proposal has been widely circulated to the USDOL, the O.M.B. and to Congressional Representatives. As of this date, only congressional consideration has been given. The executive branch agencies have avoided comment. The proposal has caught the interest of additional states, and a number of modified plans have been generated. Regardless of the difference among these proposals, the basic thread of reduced costs, less Federal presence and an experience-based trust fund runs throughout. We believe that had such a program been in place since 1979, the almost $13 billion debt that the program now carries would not have developed. It is also apparent that if the program were implemented today, this debt would be retired more rapidly than under the current system and without the service degradation that we are experiencing today.

Because of the significant debt borne by the system and the continued fiscal gyrations that have occurred in the USDOL budget, Congress will hold hearings to determine what action, if any, should be taken to modify existing programs and taxation methods. These hearings will be held in the coming year and will have an impact on the future of both the E.S. and U.I. programs.

The concern we continue to have with the proposed devolution of the E.S. is that, historically, the USDOL has cut programs without reducing taxes. This experience leaves us with the suspicion that the funding for E.S. would be cut without a comensurate tax reduction.
This approach also has to be viewed as only providing to the states "half a loaf" without demonstrated savings or services for Oregonians. Regardless of the outcome of this debate, the need for a strong placement function continues to be part of the formula necessary to return Oregon to full economic health.□

# HOURS AND EARNINGS

*Mike Staten*

Very little overall change was noted in manufacturing hourly earnings and weekly hours between June and July. However, within specific industries there were some changes worthy of mention. In the durable goods sector, with vacation closures and layoffs in the veneer and plywood as well as millwork and structural wood industries, 1,400 fewer production workers were working in July. The average workweek in durable goods also declined.

A gain of $.50 in average hourly earnings for nondurable goods between July 1983 and July 1984 was chiefly the outcome of a large increase in paper and allied products overtime hours due to stepped-up production this year.

The item of most importance in the nonmanufacturing sector was the continued gain in construction activity, especially street and road repair.

On the whole, between 1982 and 1984, average weekly hours for the manufacturing industries in Oregon each month have been greater than the same month in the previous year. The single exception was June 1984 when the workweek dropped to its lowest June level of the past three years due to lower than normal food processing activity. Steady increases during the course of each year were noted in 1982 and 1983, but 1984 has been showing a downward trend for most of the year. The obvious question is whether the direction in 1984 has been a "fluke", or a harbinger of things to come. The next few months should provide the answer. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---|---|---|---|---|---|---|---|---|---|
| | July 2/ 1984 | June 3/ 1984 | July 1983 | July 2/ 1984 | June3/ 1984 | July 1983 | July 2/ 1984 | June3/ 1984 | July 1983 |
| TOTAL MANUFACTURING4/ | $411.77 | $411.67 | $400.40 | 38.7 | 38.8 | 38.5 | $10.64 | $10.61 | $10.40 |
| Durable Goods | 425.13 | 425.58 | 418.94 | 39.4 | 39.7 | 39.3 | 10.79 | 10.72 | 10.66 |
| Lumber & Wood Products | 435.09 | 446.29 | 426.80 | 38.3 | 39.6 | 38.8 | 11.36 | 11.27 | 11.00 |
| Logging & Sawmills | 472.75 | 474.38 | 461.78 | 39.2 | 39.4 | 39.3 | 12.06 | 12.04 | 11.75 |
| Veneer & Plywood | 420.28 | 450.64 | 423.77 | 38.0 | 40.2 | 38.7 | 11.06 | 11.21 | 10.95 |
| Millwork & Struct Wood | 315.32 | 347.21 | 304.41 | 34.2 | 39.1 | 36.5 | 9.22 | 8.88 | 8.34 |
| Mobile Homes | 297.48 | 289.22 | 282.66 | 37.0 | 35.1 | 36.1 | 8.04 | 8.24 | 7.83 |
| Other Wood Products | 454.66 | 455.67 | 430.67 | 40.2 | 41.2 | 40.1 | 11.31 | 11.06 | 10.74 |
| Furniture & Fixtures | 304.44 | 296.38 | 292.37 | 35.4 | 36.5 | 36.5 | 8.60 | 8.12 | 8.01 |
| Primary Metals | 508.78 | 507.21 | 515.02 | 43.3 | 43.5 | 41.5 | 11.75 | 11.66 | 12.41 |
| Fabricated Metals | 394.62 | 383.90 | 399.78 | 39.7 | 38.7 | 40.3 | 9.94 | 9.92 | 9.92 |
| Machinery | 418.14 | 415.74 | 401.41 | 40.4 | 40.6 | 39.2 | 10.35 | 10.24 | 10.24 |
| Nondurable Goods | 375.64 | 372.44 | 352.35 | 36.9 | 36.3 | 36.4 | 10.18 | 10.26 | 9.68 |
| Food & Kindred Products | 309.27 | 304.72 | 286.88 | 36.6 | 34.2 | 34.9 | 8.45 | 8.91 | 8.22 |
| Canning & Preserving | 251.34 | 241.80 | 224.02 | 35.6 | 31.2 | 32.8 | 7.06 | 7.75 | 6.83 |
| Other Food Products | 397.66 | 399.38 | 407.40 | 38.2 | 38.7 | 38.8 | 10.41 | 10.32 | 10.50 |
| Textile Mill Products | 191.86 | 222.09 | 198.11 | 32.3 | 37.9 | 37.1 | 5.94 | 5.86 | 5.34 |
| Apparel | 150.62 | 210.19 | 185.24 | 28.1 | 37.4 | 35.9 | 5.36 | 5.62 | 5.16 |
| Paper & Allied Products | 581.26 | 562.88 | 541.31 | 41.4 | 40.7 | 40.7 | 14.04 | 13.83 | 13.30 |
| Printing & Publishing | 410.21 | 396.29 | 378.42 | 34.5 | 34.4 | 34.0 | 11.89 | 11.52 | 11.13 |
| Construction4/ | 527.87 | 507.04 | 502.83 | 37.2 | 34.8 | 33.3 | 14.19 | 14.57 | 15.10 |
| Communications & Utilities5/ | 479.60 | 485.20 | 460.88 | 40.1 | 40.4 | 38.6 | 11.96 | 12.01 | 11.94 |
| Trade5/ | 299.81 | 293.42 | 288.08 | 34.7 | 34.0 | 34.5 | 8.64 | 8.63 | 8.35 |
| Wholesale Trade | 404.77 | 391.72 | 384.16 | 37.9 | 37.2 | 37.7 | 10.68 | 10.53 | 10.19 |
| Retail Trade | 247.92 | 245.27 | 241.49 | 33.1 | 32.4 | 32.9 | 7.49 | 7.57 | 7.34 |
| Banking & Insurance | 272.70 | 266.33 | 270.91 | | | | | | |
| State & Local Government | 344.27 | 317.44 | 337.14 | | | | | | |

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1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

# EASTERN OREGON ECONOMY LAGS

*William Street*

(Editor's Note: Mr. Street is the Employment Division's Labor Market Economist for Eastern Oregon stationed in LaGrande.)

For many, Oregon is a place where people joke about residents who fall off their bicycles and drown. Where, on the one day of the year lacking any cloud cover, coastal residents are rumored to build giant bonfires and sacrifice opossums to the deity of their choice to ensure that the great orange ball of fire in the sky will not return for another year. One problem with this "trees, ocean breeze, and mud up to your knees" image, held by many residents as well as tourists, is that it accounts for less than half of the state's geographic land mass. In fact, Clackamas, Multnomah, Washington, Marion, and Lane Counties could all fit comfortably into Harney County and still leave in excess of 2,000 square miles for the City of Burns, the Frenchglen Hotel, and all the sheepherders.

This popular but misleading image would simply be an advantage that Eastern Oregonians have when playing valley residents in Trivial Pursuit, were it not for the tremendous economic problems facing the Eastern Oregon region. Unemployment rates for March and June, 1984, reflect a portion of the economic difficulties facing Oregonians who live east of the Cascades. The counties with the five highest unemployment rates in March were all located in Eastern Oregon. The situation in June was only slightly better. Most counties in the region also do not fare very well in terms of other economic indicators. Seven of the 10 counties with the lowest median family incomes in 1983, for example, are also located in Eastern Oregon.

Unemployment Rates

| County | March 1984 | State Rank | June 1984 | State Rank |
|---|---|---|---|---|
| Baker | 18.2% | 3 | 13.1% | 4 |
| Grant | 21.6 | 2 | 10.5 | 12 (tie) |
| Harney | 17.2 | 4 (tie) | 9.8 | 16 |
| Malheur | 14.0 | 12 | 9.6 | 18 |
| Morrow | 10.2 | 24 | 11.1 | 8 |
| Umatilla | 11.5 | 19 | 13.5 | 2 (tie) |
| Union | 14.8 | 10 (tie) | 10.5 | 12 (tie) |
| Wallowa | 21.9 | 1 | 13.5 | 2 (tie) |
| Wheeler | 16.7 | 5 | 7.4 | 26 |
| Gilliam | 7.3 | 27 | 4.7 | 28 |

The severity of the region's economic hardship is not widely recognized by many Oregonians. Less than 6.2% of the state's population reside in this vast geographic area. The sparseness of the population and the considerable geographic distances combine to create a hostile economic climate rivaled only by the weather. In a national economy dominated by the benefits of a complex urban financial system where the key to success is the rapid movement of goods and services from firm to firm, the geographic isolation of Eastern Oregon gives an economic meaning to the geographic concept of "desert".

Yet, despite these barriers, or possibly because of them, life does exist east of Bend. The 10 counties of Eastern Oregon managed to prosper through much of the 1970s. During the past decade, Morrow, Umatilla, Malheur, and to some extent Union Counties grew at a pace comparable with the remainder of the state. The availability of water and timber resources played an important role in this development.

During the 1970s, the construction of massive irrigation systems enabled row crops to expand into areas which had formerly only produced dryland wheat. Following the development of row crops came food processing factories. In several counties, the construction of large food processing facilities created thousands of new jobs. A growing national and international market added stability to the local job market. Also during this decade, the consolidation of timber companies and the stability of supply provided by federal timberland management policies provided the region with relatively stable forest products employment. But the price of this stability was an increase in vulnerability which arises when a few large employers dominate the local economy.

The 1980s have seen the region suffer as has the state. The decrease in housing starts and an increase in short-term cash management strategies by larger, more diversified forest products firms have left numerous closed mills throughout the region. Agriculture has also experienced difficult problems. The increase in the costs of electricity and transportation has limited the amount of raw produce available and encouraged food processors to build new factories closer to markets in the eastern U.S. The high value of the dollar overseas, an increase in international competition, and an unpredictable national farm policy have also hurt those local economies dependent on agriculture.

The 1980's have also been a period of reductions for numerous government programs. These reductions have undermined the remaining major contributor of payroll in the region. Federal program cuts, along with recession-induced staff reductions at both the state and local levels, have lowered employment and payroll in this important economic sector.

A rare combination of events has simultaneously and adversely affected the forest products, agricultural, and governmental sectors. Between the peak of the 1979 business cycle and the "recovery" in 1983, Eastern Oregon lost 2,040 forest products jobs, 800 agricultural jobs, and 350 governmental jobs. The lumber and agricultural industries lost a greater percentage of their employment base in the region (-38% and -7%) than they did statewide (-24%, and -4%). Only the governmental sector fared better in the east. In the region government lost 3% of its employment base, while it lost 4% statewide.

The consequences of these lost jobs have been felt more widely in Eastern Oregon since rural communities in general are less able to absorb payroll losses than are the more developed urban economies of the Willamette Valley. Payroll declines in basic industries are particularly damaging for rural areas since smaller communities are dependent on a few large employers. The greater distances between communities in Eastern Oregon also make commuting to other labor market areas a less viable alternative.

Another alternative, which is often suggested by nonresidents of the region, is to move. To do so, however, would mean selling a home in a depressed housing market for less than the mortgage, and leaving behind generations of personal history and family support networks. This also assumes that relevant job opportunities are abundant in the state's metropolitan areas and that somehow the newcomers will be able to get these jobs. The reality is that the urban areas have their own problems, including unemployment and displaced workers. Moving displaced Eastern Oregonians into the state's major metropolitan areas would only add to the problems facing municipal governments...not to mention the frustration and loss of self esteem experienced by rural job seekers as they attempt to find gainful employment in the cities.

Unfortunately, in a time of tight cash management, rapid capital mobility, multinational corporations and conglomerates, having a sense of place does act to limit individuals from exercising this most commonly recommended coping strategy, (i.e. moving). Fewer people here, given the magnitude of the region's economic problems, have elected to vote with their feet than elsewhere in Oregon. Rather, most have decided to "tough it out", believing that, as in the past, better times always follow the hard times. Given current national economic trends, however, it is conceivable that many of the losses experienced by Eastern Oregon communities will not be regained, at least in the foreseeable future.

One question seldom asked is, should residents of any community be forced to move in order to survive? One thing, however, does seem clear. The region will suffer longer if residents of the state are not made aware of the magnitude of the economic problems facing the eastern region and its people. The 1980-1982 recession and the failure of a strong recovery to materialize demonstrates that the economic problems of Eastern Oregon are not magically going to disappear.□

## EMPLOYERS' TAX REPORTS TO BE PROCESSED BY OPTICAL CHARACTER READER

Beginning March 1985, employer tax reports will be processed and read by an Optical Character Reader (OCR). The OCR is highly sensitive automated equipment that will "read" and enter data into the accounting system. The OCR process ensures the accuracy of the Employment Division's accounting system, and reduces the cost of administering the Unemployment Insurance Program financed by the employer community.

California successfully uses an OCR for employer tax reports. In addition, the Oregon Employment Division is using the OCR for unemployment insurance claimant reports. Nick Guarriello, Tax Manager, states that "The tax reporting forms have been redesigned in order to make them readable by the OCR. A test will be initiated sometime in November to ensure that the forms will work smoothly with the OCR. A cross section of employers will be asked to assist by completing sample reports for the Employment Division to use for testing purposes only."

The Employment Division will be sending detailed instructions to all registered employers with the 1985 tax report forms.□

## OREGON LABOR TRENDS

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